

**Plaintiff Lazare Kaplan International Inc.'s
Deposition Designations for Diane Grimmig
2/16/2016**

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 6 Ln: 21 - 25

Annotation:

6:21 Q. Okay. Good morning, Ms. Grimmig.
 22 I'm Chris Sullivan and I'm with the law
 23 firm of Herrick Feinstein and we
 24 represent the Plaintiff in this case,
 25 Lazare Kaplan International.

Pg: 7 Ln: 7 - 21

Annotation:

7: 7 Q. Okay. And can you tell us where
 8 you live, what your current address is?
 9 A. I live at 62 Smith Street,
 10 Lynbrook, New York, 11563.
 11 Q. And how long have you lived
 12 there?
 13 A. Approximately 15 years.
 14 Q. What's your nationality?
 15 A. American.
 16 Q. So do I assume correctly that
 17 you speak and read English fluently?
 18 A. Yes, I do.
 19 Q. Do you -- and what other
 20 languages do you speak or read?
 21 A. No others.

Pg: 8 Ln: 18 - Pg: 9 Ln: 6

Annotation:

8:18 Q. I'm going to use a number of
 19 abbreviations for my questions. I'm
 20 going to -- for convenience sake, I'm
 21 going to refer to Lazare Kaplan
 22 International, Inc. as Lazare; to
 23 Lazare Kaplan Belgium as Lazare
 24 Belgium; to Antwerp Diamond Bank as
 25 ADB; to the New York office of ADB as
 9: 1 ADB New York; to KBC Bank as KBC; and
 2 to the New York branch of KBC as KBC
 3 New York, unless you or I specify
 4 otherwise.
 5 Do you understand that?
 6 A. Yes.

Pg: 10 Ln: 8 - Pg: 11 Ln: 12

Annotation:

10: 8 Q. Okay. What is the highest level
 9 of formal education that you've
 10 completed?
 11 A. Law school.

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Pg: 10 Ln: 8 - Pg: 11 Ln: 12 continued...

Annotation:

10:12 Q. And where did you obtain your
 13 law degree?
 14 A. Loyola University.
 15 Q. And when did you do so?
 16 A. I graduated, I believe, in 1986.
 17 Q. And where did you complete your
 18 undergraduate studies?
 19 A. Providence College.
 20 Q. Are you a member of any bars?
 21 A. Yeah. Yes. Yes.
 22 Q. Which bars?
 23 A. The New York bar.
 24 Q. Okay. Do you have any
 25 specialized training or education in
 11: 1 regard to diamonds or diamond
 2 companies?
 3 A. No.
 4 Q. Do you have any specialized
 5 training or education in regard to laws
 6 and regulations applicable to diamond
 7 transactions?
 8 A. No.
 9 Q. Do you have any specialized
 10 training or education in regard to
 11 correspondent bank accounts?
 12 A. No.

Pg: 12 Ln: 15 - Pg: 13 Ln: 7

Annotation:

12:15 Q. Now, you're currently employed
 16 by KBC. Is that correct?
 17 A. I'm employed by KBC New York.
 18 Q. KBC New York. So you're not
 19 employed by KBC as a Belgian institute,
 20 simply by the New York branch of KBC?
 21 A. KBC New York is the one that
 22 cuts my paycheck.
 23 Q. And have you ever been employed
 24 by KBC, itself?
 25 A. My employment has always been
 13: 1 through the KBC New York.
 2 Q. When did you first start working
 3 at KBC New York?
 4 A. 1987.
 5 Q. Okay. Did you do so right out of
 6 law school?
 7 A. Yes.

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Pg: 13 Ln: 17 - Pg: 17 Ln: 23

Annotation:

13:17 Q. So you've never worked as a
18 banker? Do I understand correctly that
19 you've always worked as a lawyer?
20 A. I work for a bank, so I work --
21 I have responsibilities beyond legal
22 advisor. I'm also the Compliance
23 Officer. So I would say I also have
24 banking knowledge.
25 Q. Okay. Have you ever originated
14: 1 loans at KBC?
2 A. No.
3 Q. Have you helped a client set up
4 a line of credit or a credit facility?
5 A. I've handled the documentation
6 for creation of a line of credit.
7 Q. Did you ever discuss with a
8 client its working capital needs?
9 A. No.
10 Q. Ever opened a bank account for a
11 client?
12 A. Not the opening of the account,
13 no, I've handled the documentation.
14 Q. What type of documentation have
15 you handled?
16 A. It depends upon the bank
17 product.
18 Q. What does that mean?
19 A. Each bank product has a
20 different set of documentation. If it's
21 a bank account, then it would have a
22 DDA account agreement. If it's a loan,
23 it would have a loan agreement. If it's
24 a treasury product more than likely it
25 would have a swap documentation.
15: 1 Q. What is involved in handling the
2 documentation, in your words?
3 A. The relationship manager
4 provides the terms and conditions on
5 relating to the product. Based on
6 that, I draft the necessary, relevant
7 documentation. That gets furnished to
8 the relationship manager for comment.
9 If he has -- he or she has any
10 comments, I'll revise it. If it's
11 acceptable to them I send it out to the
12 customer and the customer has an
13 opportunity to review and comment on
14 the documentation. If a customer
15 comments on it, it comes back,
16 depending upon the type of comment, if

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Pg: 13 Ln: 17 - Pg: 17 Ln: 23 continued...

Annotation:

15:17 it's a business comment I have a
 18 discussion with the relationship
 19 manager as to whether or not it's
 20 acceptable. If it's a legal comment I
 21 will handle it.
 22 Once all the parties have agreed
 23 to the terms, the final documentation
 24 is drafted and then submitted for
 25 execution by my relationship manager
 16: 1 and by his customer.
 2 Q. In the course of performing the
 3 tasks you've just described, have you
 4 ever interacted with people at the New
 5 York Representative Office of ADB?
 6 A. No.
 7 Q. You've never handled account
 8 matters for clients of ADB New York?
 9 A. If the client is a customer of
 10 KBC New York, then I handle it or I
 11 will be involved.
 12 Q. And does it happen or has it
 13 happened that the client is a customer
 14 of both KBC New York and ADB New York?
 15 A. It has occurred with respect to
 16 some of our DDA customers.
 17 Q. And in those instances do you
 18 interact with anyone at ADB New York or
 19 have you done so in the past in
 20 connection with the performance of your
 21 duties?
 22 A. No. Because we're -- that
 23 customer is deemed to be our customer
 24 and so we will discuss and negotiate
 25 the documentation with the DDA
 17: 1 customer, itself.
 2 Q. Was Lazare deemed to be a
 3 customer of KBC New York?
 4 A. Yes.
 5 Q. KBC New York is a -- is a branch
 6 of KBC. Is that correct?
 7 A. Correct.
 8 Q. And KBC New York is licensed by
 9 the New York State Department of
 10 Financial Services. Is that correct?
 11 A. Yes.
 12 Q. And it's subject to supervision
 13 and examination by both the New York
 14 State Department of Finance and the
 15 Federal Reserve Bank. Is that correct?
 16 A. Yes.

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Pg: 13 Ln: 17 - Pg: 17 Ln: 23 continued...

Annotation:

17:17 Q. And what is your current job
 18 title or position at KBC New York?
 19 A. Managing Director.
 20 Q. Are you also General Counsel?
 21 A. I am head of the Legal
 22 Department and head of the Compliance
 23 Department.

Pg: 35 Ln: 19 - Pg: 37 Ln: 22

Annotation:

35:19 Q. Okay. Would you look at tab 89
 20 in that giant binder to your left,
 21 which is the amended Notice of
 22 Deposition? Give your lawyer a chance
 23 to find it.
 24 MR. FORESTA: Thank you.
 25 Q. Do you recognize this document?
 36: 1 A. Yes.
 2 Q. And who showed it to you?
 3 A. My counsel.
 4 Q. Do you understand what the
 5 Notice of Deposition calls for?
 6 A. Yes.
 7 Q. When did you see it for the
 8 first time?
 9 A. At the time it was delivered.
 10 Q. Have you ever been designated as
 11 a Rule 30(b)(6) witness in any other
 12 lawsuit or proceeding?
 13 A. No.
 14 Q. Can you tell us, in general,
 15 what you did to educate yourself as to
 16 the topics listed in this Amended
 17 Notice of Deposition?
 18 A. I talked to my fellow colleagues
 19 in various departments at KBC New York.
 20 Q. And who are those colleagues?
 21 A. I've talked to Anthony Martinez
 22 in the Finance Department, I talked to
 23 Susan Silver and Eric Raskin in the
 24 Credit Department, I talked to Ruggerio
 25 Pestana in the Cash Management and
 37: 1 Payment Department. I might have
 2 talked to others but...
 3 Q. Did you speak to Walter Haeck or
 4 communicate with Walter Haeck in any
 5 way --
 6 A. Yes.
 7 Q. -- in connection with this

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Pg: 35 Ln: 19 - Pg: 37 Ln: 22 continued...

Annotation:

37: 8 Amended Notice of Deposition and your
 9 testimony?
 10 A. No.
 11 Q. Prior to that time?
 12 A. Prior to that time.
 13 Q. And for what purpose did you
 14 communicate with Mr. Haeck?
 15 A. To inform him that we had been
 16 served with a complaint by LKI --
 17 Lazare. Sorry.
 18 Q. And since that time have you had
 19 any communications with Mr. Haeck about
 20 this lawsuit or any of the proceedings
 21 in this lawsuit?
 22 A. I -- nothing material.

Pg: 38 Ln: 8 - Pg: 40 Ln: 4

Annotation:

38: 8 Q. Is it Haeck or Haeck, by the
 9 way? You don't know?
 10 A. I don't speak Flemish.
 11 Q. Let's go by Haeck.
 12 A. I struggle with the names
 13 myself.
 14 Q. Why did you contact Mr. Haeck to
 15 inform him that Lazare had filed this
 16 lawsuit?
 17 A. Because it had also named ADB
 18 and just to inform them there was a
 19 lawsuit that involved not only KBC but
 20 also involved an affiliate of KBC.
 21 Q. Did you -- is that the sum and
 22 substance of your communication or
 23 conversation with Mr. Haeck?
 24 A. Yes.
 25 Q. And that's the only
 39: 1 communication that you can recall with
 2 Mr. Haeck on the subject of this
 3 lawsuit?
 4 A. We've also kept in touch with
 5 respect to the proceedings and
 6 notifying each other with respect to,
 7 if a motion was up before the Court,
 8 what decisions were taken on motions,
 9 what depositions were going to be taken
 10 and when. More of a procedural nature.
 11 Q. Are you aware Mr. Haeck
 12 submitted a sworn Declaration in
 13 connection with a motion that was filed

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Pg: 38 Ln: 8 - Pg: 40 Ln: 4 continued...

Annotation:

39:14 by KBC and ADB in this lawsuit?
 15 A. Yes.
 16 Q. Did you review his Declaration
 17 at any point in time?
 18 A. Yes.
 19 Q. When did you do so?
 20 A. At the time -- after it was
 21 delivered to the Court.
 22 Q. After. Did you rely on his
 23 Declaration in connection with
 24 reviewing or signing your own
 25 Declaration in the lawsuit?
 40: 1 A. I read it.
 2 Q. You read it prior to signing
 3 your own Declaration or after?
 4 A. I don't recall who it was.

Pg: 40 Ln: 5 - Pg: 41 Ln: 2

Annotation:

40: 5 Q. How about Veerle Snyers, did you
 6 communicate with Ms. Snyers in any way
 7 regarding the Amended Notice of
 8 Deposition or your testimony today?
 9 A. No.
 10 Q. When was the last time you spoke
 11 to Ms. Snyers about this lawsuit?
 12 A. Not recently.
 13 Q. Are you aware that Ms. Snyers
 14 submitted Declarations in connection
 15 with the motion that was filed by KBC
 16 and ADB in this lawsuit?
 17 A. Yes.
 18 Q. Did you review those
 19 Declarations before signing your own
 20 Declaration?
 21 A. I know I read them. I don't know
 22 if I saw it before I signed mine.
 23 Q. Can you think of anyone else at
 24 KBC with whom you discussed the Amended
 25 Notice of Deposition or your testimony
 today?
 41: 1 A. No one.

Pg: 42 Ln: 23 - Pg: 43 Ln: 2

Annotation:

42:23 Q. Did you go over each of the
 24 topics in the Amended Notice of
 25 Deposition in preparation for your

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Pg: 42 Ln: 23 - Pg: 43 Ln: 2 continued...

Annotation:

43: 1 testimony today?
 2 A. Yes.

Pg: 43 Ln: 17 - 20

Annotation:

43:17 Q. Prior to today have you ever met
 18 or communicated directly with any of
 19 the officers or directors of Lazare?
 20 A. No.

Pg: 43 Ln: 21 - Pg: 53 Ln: 15

Annotation:

43:21 Q. When did KBC first acquire a
 22 controlling interest in ADB?
 23 A. I don't know.
 24 Q. Can you give me an approximate
 25 time? Was it prior to the time you
 44: 1 started working at KBC New York?
 2 A. I don't know.
 3 Q. Well, do you recall whether the
 4 governance of ADB changed after KBC
 5 acquired its controlling interest?
 6 A. I don't think it changed.
 7 Q. You don't think it changed.
 8 A. Let me step back. What do you
 9 mean by "governance"?
 10 Q. Management, the manner in which
 11 the bank was managed.
 12 A. No.
 13 Q. You don't recall or it didn't
 14 change?
 15 A. It changed.
 16 Q. In what respect did it change?
 17 A. By members of KBC New York were
 18 put on the Board of Directors of ADB.
 19 Q. Were members of KBC New York put
 20 on any committees or other management
 21 bodies of ADB?
 22 A. No.
 23 Q. Did the credit approval process
 24 change after KBC acquired its
 25 controlling interest in ADB?
 45: 1 MR. FORESTA: Did the ADB credit
 2 approval process change?
 3 MR. SULLIVAN: Yes.
 4 A. Yes.
 5 Q. In what respect did it change?
 6 A. Its delegation authorities would

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

45: 7 have changed.
8 Q. Sorry. It's what?
9 A. We called them -- the credit
10 delegation authorities might have
11 changed.
12 Q. Can you explain in what respect?
13 A. For -- there are various Credit
14 Committees with respect to the handling
15 of credit facilities. There is a Credit
16 Committee at the local level which
17 would have been at the ADB level, but
18 depending upon various factors,
19 including probability of default, loss
20 given default and the group exposure, a
21 local credit might have had to be
22 submitted to a higher Credit Committee
23 and the higher Credit Committees were
24 located in KBC.
25 Q. In Belgium?
46: 1 A. In Belgium.
2 Q. Can you give an example of a
3 higher Credit Committee?
4 A. There was at the time I think
5 three committees, the LCC, the ECC and
6 I forget what the third one is called.
7 Q. Okay. Is the ECC, the Extended
8 Credit Committee, an ADB or a KBC body?
9 A. It's a KBC body.
10 Q. Okay. And the KBC
11 representatives participate on that
12 committee then?
13 A. KBC Belgium --
14 Q. -- representatives?
15 A. -- representatives, yes.
16 Q. And can you think of any other
17 committees or management bodies beyond
18 the Board of Directors, the ECC, the
19 LCC?
20 A. No.
21 Q. Was there an initial level
22 Credit Committee below or in addition
23 to the ECC and LCC?
24 A. There is also a Local Credit
25 Committee, so in this case ADB would
47: 1 have had its own Credit Committee.
2 Q. Did KBC representatives sit or
3 participate on ADB's own Credit
4 Committee?
5 A. No.
6 Q. Did KBC representatives sit or

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

47: 7 participate on the Local Credit
8 Committee?
9 A. The LCC?
10 Q. The LCC.
11 A. Yes. That's at the KBC.
12 Q. And it's at KBC Brussels?
13 A. Yes.
14 Q. So both the LCC and ECC are at
15 KBC Brussels?
16 A. Yes.
17 Q. Was participation of KBC
18 representatives required for a quorum
19 at either the LCC or ECC? Could they
20 make a decision without KBC
21 representatives being there?
22 A. I know these Credit Committees
23 required a quorum. I don't know the
24 makeup of the quorum.
25 Q. What was the function of the
48: 1 LCC?
2 A. Let me just -- can I explain the
3 credit approval process?
4 Q. Please do.
5 A. So if ADB had a customer that it
6 wanted to extend credit to, ADB would
7 write a credit application with the
8 proposed credit facility for the
9 relevant customer. If they thought it
10 was something that they were interested
11 in doing, if it was within their
12 delegation authorities, they would take
13 the decision and book the credit. If it
14 was outside their credit delegations,
15 then it would get submitted up to a
16 higher Credit Committee, which were
17 located in KBC Belgium. The committee
18 that got escalated to depended upon
19 various factors; probability of
20 default, loss given default and group
21 exposure amount.
22 Depending upon those factors the
23 committee that would make -- would next
24 make a decision on it would be either
25 the LCC or the ECC. If the LCC or the
49: 1 ECC agreed to it, the credit
2 application went back down to ADB and
3 ADB would have the veto right,
4 equivalent of a veto right that would
5 accept the decision of the LCC and/or
6 the ECC or not.

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

49: 7 Q. And where is this protocol that
 8 you've just described set forth in
 9 writing?
 10 A. It's set forth in what's called
 11 an IKB credit delegation.
 12 Q. And what does IKB stand for?
 13 A. I don't know.
 14 Q. What does it mean for a credit
 15 to be outside of credit delegations?
 16 A. Again, you got to examine the
 17 three factors and that made a
 18 determination as to what Credit
 19 Committee made -- took a decision on
 20 it.
 21 So if it was -- if it was
 22 outside ADB's Credit Committee
 23 delegation authorities that meant it
 24 got calculated to the next higher
 25 Credit Committee.
 50: 1 Q. And was there an applicable
 2 monetary limit that applied to credit
 3 decisions at any stage of this process?
 4 A. Group exposure amount.
 5 Q. Can you explain the group
 6 exposure amounts that were applicable
 7 here?
 8 A. It's --
 9 MR. FORESTA: Hold on a second.
 10 When you say "applicable here", are you
 11 talking about the --
 12 Q. Explain them in general and then
 13 we'll apply them more specifically.
 14 A. There were group exposure
 15 amounts. Each Credit Committee had
 16 authority to take a decision on credits
 17 up to a certain group exposure amount.
 18 If it was -- if the amount was above
 19 their credit delegation the -- the
 20 credit got escalated up to a higher
 21 authority.
 22 Q. And are the applicable amounts
 23 set forth in the IKB counterparty
 24 delegations?
 25 A. Yes.
 51: 1 Q. And do you recall what those
 2 amounts are?
 3 A. Not off the top of my head, no.
 4 Q. Can you give me an
 5 approximation?
 6 A. No.

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

51: 7 Q. If the ECC denied a
8 recommendation of ADB, could ADB veto
9 or reject that decision and grant the
10 credit anyway?
11 A. No. ADB could seek an appeal.
12 Q. An appeal to KBC?
13 A. To the Credit Committee that
14 took the decision.
15 Q. With the LCC and ECC both being
16 at KBC Brussels, correct?
17 A. Correct. So if LCC or ECC took a
18 decision and ADB disagreed with the
19 decision, ADB could appeal the decision
20 and seek the relevant LCC or ECC to
21 change their position.
22 Q. So in other words, KBC had the
23 ultimate authority on the decision,
24 correct?
25 A. No. It always went back down to
52: 1 the local level.
2 Q. The local level being?
3 A. In this case ADB.
4 Q. But didn't you just tell me that
5 ADB did not have the right to reject
6 the decision of either the LCC or the
7 ECC at KBC Brussels?
8 A. They had the right to appeal it.
9 Q. To KBC?
10 A. Right.
11 Q. So whose ultimate authority --
12 A. Well, if they won the appeal
13 then ADB was the final authority.
14 Q. And who decides if they won
15 the -- win the appeal, KBC, correct?
16 A. It's always the local authority
17 has the ultimate decision.
18 Q. I'm sorry. I'm not -- maybe I'm
19 not being clear, Ms. Grimmig.
20 The appeal is to KBC, to the
21 committees resident at KBC, correct?
22 A. Correct.
23 Q. And the committees decide the
24 appeal, correct?
25 A. Correct.
53: 1 Q. So KBC decides the appeal,
2 correct?
3 A. To reject the credit.
4 Q. And ADB does not have the right
5 to overrule the decision of KBC to
6 reject the credit?

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

53: 7 A. To reject a credit, correct.
 8 Q. Correct. Did the procedures that
 9 you just described apply to
 10 diamond-related credits?
 11 A. It applied to all credits
 12 proposed by ADB.
 13 Q. Was the procedure different for
 14 diamond-related credits in any way?
 15 A. No.

Pg: 65 Ln: 4 - Pg: 68 Ln: 20

Annotation:

65: 4 Q. What was the approval process
 5 for terminating an ADB credit facility?
 6 A. It would be subject to the IKB
 7 credit delegations.
 8 Q. And do you recall what those
 9 delegations provide with respect to the
 10 termination of a credit facility?
 11 A. It is my understanding ADB was
 12 not required to notify LCC or ECC of a
 13 termination, but they chose to do so.
 14 Q. Are the IKB credit delegations a
 15 KBC document or an ADB document?
 16 A. They are a KBC document.
 17 Q. And so it's the KBC document
 18 that governs the procedure or process
 19 for terminating an ADB credit facility?
 20 Is that correct?
 21 A. Yes.
 22 Q. And do you know what role KBC
 23 played in connection with the
 24 termination of the Lazare credit
 25 facility?
 66: 1 A. ADB would have written a credit
 2 application or a credit memo with a
 3 proposed course of action that would
 4 have got submitted to the appropriate
 5 Credit Committee, who would take a
 6 decision on the action proposed by ADB.
 7 Q. And did ADB have the right to
 8 disregard the decision taken by the
 9 appropriate committee at KBC Brussels?
 10 A. ADB was not required to go to
 11 LCC or ECC, they chose to do so. So
 12 once you submit something to Credit
 13 Committee they will -- requesting a
 14 decision, the LCC or ECC will take a
 15 decision on it.

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Pg: 65 Ln: 4 - Pg: 68 Ln: 20 continued...

Annotation:

66:16 Q. Do you know why ADB chose to do
17 so, chose is to seek approval of KBC,
18 Brussels?
19 A. No.
20 Q. Do you know who made the
21 decision to terminate the Lazare credit
22 facility, what committee?
23 A. I believe it was ECC.
24 Q. And do you know who the members
25 of the ECC were at that point in time?
67: 1 A. No. The IKB credit delegations
2 would set forth the position of the
3 members of the ECC.
4 Q. Were there any ADB
5 representatives on the ECC at the time?
6 A. I don't know.
7 Q. As a matter of -- as a matter of
8 course, did ADB representatives serve
9 on the ECC at KBC Brussels?
10 A. No.
11 Q. So it was an all KBC committee?
12 A. It -- the committee changed and
13 they -- others could be invited to the
14 meetings. So ADB could have been
15 there. I don't know.
16 Q. Apart from attending as a guest,
17 is it fair to say that the members, the
18 membership of the committee was
19 entirely comprised of KBC
20 representatives?
21 MR. FORESTA: Note my objection.
22 A. Yes.
23 MR. SULLIVAN: You have to wait
24 for him to speak too.
25 THE WITNESS: Sorry.
68: 1 MR. FORESTA: Now you can
2 answer.
3 A. Yes.
4 Q. Do you know who made the
5 decision to terminate the Lazare credit
6 facility on behalf of ADB?
7 A. It would be in the credit
8 application, ADB's credit application.
9 Q. Do you recall the individuals
10 involved in that decision?
11 A. I don't recall the individual's
12 names, no.
13 Q. Do you know who made the
14 decision to -- for ADB to file a
15 lawsuit against Lazare?

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 65 Ln: 4 - Pg: 68 Ln: 20 continued...

Annotation:

68:16 A. No.
17 Q. Do you know whether that
18 decision was submitted to KBC Brussels
19 in advance?
20 A. I don't know.

Pg: 70 Ln: 17 - Pg: 71 Ln: 25

Annotation:

70:17 (Exhibit 136, Declaration of
18 Diane Grimmig, was received and marked
19 on this date for identification.)
20 MS. GREDD: I have a copy that
21 doesn't have a marking.
22 MR. SULLIVAN: I stand corrected
23 by Mr. D'Angelo and Ms. Gredd. Let's
24 mark it.
25 Q. Do you have P-136 in front of
71: 1 you, Ms. Grimmig?
2 A. Yes.
3 Q. Is this the sworn Declaration
4 that you submitted in this lawsuit?
5 A. Yes.
6 Q. Okay. Is that your signature on
7 the last page of the Declaration, which
8 I believe is page 8?
9 A. Yes.
10 Q. Okay. And above your signature
11 you declared under penalty of perjury
12 that the foregoing is true and correct.
13 Do you see that?
14 A. Yes.
15 Q. And the Declaration is dated
16 June 15, 2012. Correct?
17 A. Yes.
18 Q. As you sit here today, is there
19 anything that you believe to be false
20 or incorrect in your Declaration?
21 A. No.
22 Q. Who drafted this document?
23 A. I did.
24 Q. When did you do so?
25 A. At the time requested.

Pg: 74 Ln: 22 - Pg: 82 Ln: 20

Annotation:

74:22 (Exhibit 146, letter dated
23 September 9, 2013 from KBC New York's
24 attorney to Judge Andrew Carter, was

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

74:25 received and marked on this date for
75: 1 identification.)
2 Q. Plaintiff's Exhibit 146 is a
3 letter dated September 9, 2013 from KBC
4 New York's attorney to Judge Andrew
5 Carter of the United States District
6 Court.
7 Do you have that in front of
8 you, Ms. Grimmig?
9 A. Yes.
10 Q. Did you review this letter to
11 the Court before it was filed?
12 A. Yes.
13 Q. Do you recall there being
14 anything inaccurate or untrue in the
15 letter?
16 A. No.
17 Q. Would you turn to page 7 of the
18 letter? Do you see in the second
19 paragraph, where it says "KBC has
20 agreed to produce the Services
21 Agreement that Ms. Grimmig referred to
22 in her Declaration, which governed the
23 terms under which KBC's New York branch
24 provided banking services to Antwerp
25 Bank's customers in New York?"
76: 1 Do you see those words in the
2 second paragraph of the letter from
3 KBC's counsel to the Court?
4 A. Yes.
5 Q. And you see the following
6 sentence that reads "A copy of that
7 agreement is attached hereto as Exhibit
8 A?"
9 A. Yes.
10 Q. Do you agree with the statement
11 in this letter that the Services
12 Agreement annexed as an exhibit to the
13 letter governed the terms under which
14 KBC New York provided banking services
15 to Antwerp's bank's customers in New
16 York?
17 A. It governed the agreement
18 between ADB and New York branch with
19 respect to the services that KBC New
20 York would furnish to ADB's customers
21 that had overdraft accounts with ADB.
22 Q. So do you agree with your
23 counsel's representation to the Court
24 that the Services Agreement that is

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Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

76:25 annexed as an exhibit to this letter
 77: 1 governed the terms under which KBC New
 2 York provided banking services to ADB's
 3 customers in New York?
 4 MR. FORESTA: Note my objection.
 5 You can answer.
 6 Q. Is that a true statement by your
 7 attorneys to the Court?
 8 A. It governed the handling --
 9 ADB's agreement with ADB to open a DDA
 10 account for ADB's customers in New
 11 York.
 12 Q. Is there a difference between
 13 what you just said and what your
 14 attorney said? Is that why you are
 15 rephrasing it?
 16 A. It's all interrelated.
 17 Q. Is it the same thing?
 18 A. It's the same thing, yes.
 19 Q. It is the same thing. And does
 20 the Services Agreement, the copy of the
 21 Services Agreement that is attached as
 22 Exhibit A to KBC's attorney's letter,
 23 accurately reflect the manner in which
 24 KBC New York provided such services to
 25 ADB's customers in New York, like
 78: 1 Lazare?
 2 A. It set forth how KBC New York
 3 would -- would handle ADB's customer's
 4 account, DDA account with KBC.
 5 Q. So the Services Agreement
 6 accurately sets forth the manner in
 7 which accounts would be handled? There
 8 is nothing in the Services Agreement
 9 that you disagree with or think is
 10 untrue?
 11 A. No.
 12 Q. Good. So your familiar with the
 13 Services Agreement?
 14 A. Yes, I am.
 15 Q. And Lazare was a customer of ADB
 16 in New York, correct?
 17 A. Yes.
 18 Q. A diamond company customer,
 19 correct?
 20 A. Yes.
 21 Q. And did the Services Agreement,
 22 therefore, govern the banking services
 23 that KBC New York provided to Lazare?
 24 A. No.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
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Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

78:25 Q. Why not?
 79: 1 A. There was a separate account
 2 agreement between Lazare and KBC New
 3 York that set forth the terms and
 4 conditions of Lazare's DDA account with
 5 KBC New York.
 6 Q. Did that account agreement
 7 supersede anything in the Services
 8 Agreement?
 9 MR. FORESTA: Note my objection.
 10 You can answer.
 11 A. No. It's -- there are three
 12 parties to this transaction, to this
 13 relationship. So there is an agreement
 14 between ADB and KBC New York, and there
 15 is an agreement between ADB and Lazare
 16 and there is also an agreement between
 17 Lazare and KBC New York and there were
 18 multiple documents and various
 19 documents that reflected the
 20 relationship among the parties.
 21 Q. Perhaps we need to clarify the
 22 question.
 23 A. Okay.
 24 Q. I just asked you whether the
 25 Services Agreement governed the terms
 80: 1 under which KBC New York provided
 2 banking services to ADB's customers in
 3 New York.
 4 A. It sets forth the terms and
 5 conditions -- it sets forth KBC's New
 6 York agreement to provide -- it's an
 7 agreement between KBC New York and ADB
 8 that sets forth the terms and
 9 conditions under which KBC New York
 10 would furnish a DDA account to Lazare.
 11 Q. It spells out the operational
 12 banking services to be provided by KBC
 13 New York to ADB's customers, correct?
 14 MR. FORESTA: Note my objection.
 15 Q. That's what it says, Ms.
 16 Grimmig. Is it correct?
 17 A. It sets forth the terms and
 18 conditions under which KBC New York
 19 agrees to provide a DDA account to
 20 customers of ADB in New York.
 21 Q. Is there anything in the
 22 Services Agreement that you believe to
 23 be incorrect or untrue?
 24 A. No.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

80:25 Q. Did KBC New York provide the
81: 1 banking services spelled out in the
2 Services Agreement to ADB's customers
3 in New York?
4 MR. FORESTA: Objection.
5 Q. You can answer.
6 MR. FORESTA: She already has
7 multiple times.
8 A. Yes.
9 MR. SULLIVAN: Counsel, no
10 colloquy on the record.
11 A. Yes.
12 Q. The answer is yes. Did you have
13 any role, did you play any role in the
14 development or preparation of the
15 Services Agreement?
16 A. The Legal Department would have
17 played a role.
18 Q. Who at the Legal Department
19 played a role?
20 A. I believe it was the General
21 Counsel at the time.
22 Q. Who is that?
23 A. Michael Curran.
24 Q. Do you know who drafted the
25 Services Agreement?
82: 1 A. No.
2 Q. Did you read the deposition
3 testimony of Philippe Loral in this
4 case?
5 A. I read it at the time, right
6 after he gave his deposition.
7 Q. Do you recall Mr. Loral
8 testifying that he drafted the Services
9 Agreement?
10 A. I don't recall.
11 Q. Is it correct that the Services
12 Agreement that's referred or referenced
13 by KBC's counsel letter and attached as
14 Exhibit A to the letter is the same
15 Services Agreement you referred to in
16 your Declaration?
17 A. Yes.
18 Q. We're not talking about a
19 different Services Agreement?
20 A. No.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25

Annotation:

84: 4 Q. Did you review the Services
5 Agreement before signing your
6 Declaration?
7 A. Yes.
8 Q. Did you rely on the Services
9 Agreement in preparing your
10 Declaration?
11 A. Yes.
12 Q. In fact, your Declaration was
13 addressed, in part, to the banking
14 services that KBC New York provided to
15 Lazare pursuant to the Services
16 Agreement, correct?
17 MR. FORESTA: Note my objection.
18 You can answer.
19 A. The services that KBC provided
20 to Lazare were governed by the account
21 agreement between Lazare and KBC New
22 York.
23 Q. But you've told us that the
24 services that are spelled out in the
25 Services Agreement, the banking
85: 1 services, were also provided by KBC New
2 York to Lazare, correct?
3 A. They were the beneficiary, yes.
4 Q. So the answer is yes?
5 A. Yes.
6 Q. Would you take a look at your
7 Declaration again?
8 A. Yes.
9 Q. Can you tell me where the words
10 "Services Agreement" or "services level
11 agreement" appear in your Declaration,
12 Ms. Grimmig?
13 A. I don't think it's specifically
14 referenced, but its contents are
15 discussed in my Declaration.
16 Q. Okay. So let's start with
17 specific reference. There is no
18 reference in the Services Agreement to
19 the Service Agreement in your sworn
20 Declaration, is there?
21 A. Correct.
22 Q. So your counsel's statement to
23 the Court is incorrect in that regard,
24 correct?
25 A. Technically, yes.
86: 1 Q. Technically, yes. Okay. And is
2 it your testimony that you discussed,
3 in your sworn Declaration, the contents

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
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Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

86: 4 of the Service Agreement? Is that your
 5 testimony?
 6 A. There are concepts, there are
 7 terms in the Service Agreement that are
 8 referenced in my Declaration.
 9 Q. Well, is there a disclosure of
 10 any kind in your sworn Declaration that
 11 KBC New York and ADB had a formal
 12 written agreement pertaining to the
 13 banking services to be provided by KBC
 14 New York to ADB's customers in New
 15 York? Is there a disclosure of any
 16 kind that there was a formal written
 17 agreement, Ms. Grimmig?
 18 Take a look at your Declaration
 19 if you like.
 20 (Whereupon, the Deponent reviews
 21 the document.)
 22 A. There is not a specific
 23 reference or naming of the servicing
 24 agreement, but the concepts in the
 25 servicing agreement are captured in my
 Declaration.
 87: 1 Q. Well, we'll get to the capture
 2 part of your testimony, but I'm asking
 3 you a different question.
 4 A. Sorry.
 5 Q. I'd like an answer to my
 6 question.
 7 A. Sorry.
 8 Q. My question is, did you tell
 9 Judge Carter in your Declaration that
 10 KBC New York and ADB had entered into a
 11 formal written agreement regarding the
 12 operational banking services to be
 13 provided by KBC New York to ADB's
 14 customers in New York?
 15 We know you didn't mention the
 16 Service Agreement. Did you tell the
 17 Court that there existed a formal
 18 written agreement?
 19 A. I did not.
 20 Q. You did not. So let me see if I
 21 understand correctly, you didn't
 22 disclose to the Court that -- the
 23 existence of the Service Agreement.
 24 You didn't disclose to the Court that
 25 KBC New York and ADB had a formal
 88: 1 written agreement with respect to the
 2 operational services to be provided by
 3

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Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

88: 4 KBC New York to ADB's customers. You
 5 didn't produce or submit a copy of the
 6 Services Agreement to the Court. Is
 7 that all correct?
 8 A. I believe we produced a copy of
 9 the servicing agreement as part of the
 10 production of documents.
 11 Q. In discovery?
 12 A. Yes.
 13 Q. After the motions to the Court
 14 were decided?
 15 A. I don't know the timing of the
 16 discovery versus motions.
 17 Q. Take a look at the date of your
 18 attorney's letter to the Court
 19 enclosing the agreement, September 9,
 20 2013.
 21 Do you recall when the Motion to
 22 Dismiss, that your bank made to Judge
 23 Carter, was decided both by the
 24 District Court in the Second Circuit?
 25 A. I don't recall.
 89: 1 Q. I'll represent to you that it
 2 was before September, 2013, Ms.
 3 Grimmig.
 4 So is there anything incorrect
 5 about the facts that I just asked you;
 6 one, you didn't tell Judge Carter about
 7 the Services Agreement, about the
 8 existence of the Service Agreement;
 9 two, you didn't submit a copy of the
 10 Services Agreement to the Court; three,
 11 you didn't tell Judge Carter that KBC
 12 New York and ADB had entered into a
 13 formal written agreement regarding the
 14 operational banking services to be
 15 provided by KBC New York to ADB's
 16 customers in New York? Anything
 17 incorrect about those three facts?
 18 A. All I can tell you is we
 19 produced the servicing agreement as
 20 part of the discovery. I did not
 21 explicitly reference the Service
 22 Agreement in my Declaration, but I
 23 incorporated its terms in my
 24 Declaration.
 25 Q. Did you quote from the Services
 90: 1 Agreement in your Declaration anywhere?
 2 A. No, but I paraphrased.
 3 Q. You paraphrased?

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Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

90: 4 A. Yes.
5 Q. So who made the decision, Ms.
6 Grimmig, not to tell Judge Carter about
7 the existence of the Service Agreement,
8 not to give him a copy of the Service
9 Agreement, not to quote from the
10 Service Agreement, not even to tell him
11 there was a formal written agreement
12 that might apply to the banking
13 services provided by KBC New York? Who
14 made that decision, you?
15 MR. FORESTA: Objection to the
16 question.
17 Q. You can answer.
18 A. No.
19 Q. Who made the decision?
20 A. I don't know.
21 Q. Did you give any thought
22 whatsoever to submitting the Service
23 Agreement that you summarized
24 submitting it to the Court in
25 connection with your attorney's motion?
91: 1 A. I -- as part of the document
2 production, I produced the Service
3 Agreement.
4 Q. After the motion was decided by
5 the District Court in the Second
6 Circuit Court of Appeals, why did you
7 wait until then?
8 MR. FORESTA: Objection.
9 Q. Why didn't you do so prior?
10 A. I produced it when I was
11 required to provide it.
12 Q. Is it your sworn testimony, Ms.
13 Grimmig, that you accurately and
14 honestly summarized the provisions of
15 the Services Agreement in your sworn
16 Declaration?
17 A. Yes.
18 Q. That's your sworn testimony?
19 A. Yes.
20 Q. And you weren't trying to
21 mislead or deceive the Court by not
22 disclosing or producing the Services
23 Agreement, correct?
24 A. Not at all.
25 Q. You understood at the time you
92: 1 signed your Declaration that KBC New
2 York was claiming that it had nothing
3 to do with the transactions in the

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Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

92: 4 Complaint, correct?
 5 MR. FORESTA: Objection.
 6 A. I stated that there was no
 7 allegation or claims asserted against
 8 KBC New York.
 9 Q. And did you understand that KBC
 10 New York was arguing to Judge Carter
 11 that this case should be litigated in
 12 Belgium instead of New York because it
 13 has no connection to Lazare's banking
 14 relationship at KBC New York? Did you
 15 understand that at the time you signed
 16 your Declaration?
 17 A. I understood that the
 18 allegations and the disputes related to
 19 transactions between Lazare and ADB.
 20 Q. Did you understand that KBC New
 21 York was arguing that it played a
 22 merely ministerial role in connection
 23 with the credit facility and that the
 24 case properly belongs in Belgium and
 25 New York, that it's centered in Belgium
 93: 1 and not New York? Did you understand
 2 that?
 A. Yes.
 4 Q. And so you summarized in your
 5 words the concepts in the Services
 6 Agreement instead of producing the
 7 Services Agreement?
 8 MR. FORESTA: Objection.
 9 A. Correct.
 10 Q. And you weren't trying to
 11 mislead or deceive Judge Carter in any
 12 way, correct?
 13 A. Correct.
 14 Q. Okay. Is there anything in the
 15 Services Agreement that contradicts the
 16 factual assertions in your Declaration,
 17 Ms. Grimmig?
 18 A. No.
 19 Q. Are you sure about that?
 20 A. I'm sure.
 21 Q. Do you know whether Veerle
 22 Snyers disclosed the existence of the
 23 Services Agreement or produced a copy
 24 in her sworn Declarations to the Court?
 25 A. I don't know.
 94: 1 Q. You reviewed her sworn
 2 Declarations prior to signing your own,
 3 did you not?

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Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

94: 4 A. I reviewed them. I don't know
 5 whether I reviewed them -- I reviewed
 6 them at the time that she had signed
 7 and delivered them. I don't know if
 8 that was before or after mine.
 9 Q. You actually cite to her
 10 Declaration in your own Declaration,
 11 Ms. Grimmig?
 12 A. Okay.
 13 Q. Does that mean to you that you
 14 looked at the Declaration --
 15 A. Yes.
 16 Q. -- before you signed it?
 17 You have to let me finish,
 18 please. The answer is yes?
 19 A. Yes.
 20 Q. How about Walter Haeck, he
 21 submitted sworn Declaration to the
 22 Court, didn't he?
 23 A. Yes.
 24 Q. Did he produce a copy of the
 25 Services Agreement?
 95: 1 A. I don't recall.
 2 Q. Did he quote from the Services
 3 Agreement in his Declaration?
 4 A. I don't recall.
 5 Q. Are you aware that you,
 6 Ms. Snyers, and Mr. Haeck all submitted
 7 sworn Declarations to the Federal
 8 District Court in this case regarding
 9 the banking services provided by KBC
 10 New York to Lazare and not one of you
 11 produced the Services Agreement or
 12 quoted from it? Are you aware of that?
 13 MR. FORESTA: Objection. You can
 14 answer.
 15 A. Yes.
 16 Q. Not one of you produced the
 17 Services Agreement, even though it
 18 governs, by your testimony, Ms.
 19 Grimmig, its terms under which KBC New
 20 York provided banking services to
 21 Lazare? Do you understand that?
 22 MR. FORESTA: Objection.
 23 A. It's -- the servicing agreement
 24 is an agreement between KBC New York
 25 and ADB. Lazare is not a party to the
 96: 1 Service Agreement.
 2 Q. Lazare is a beneficiary of the
 3 Services Agreement, according to you?

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Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

96: 4 Is that correct?
 5 A. The relationship between KBC New
 6 York and Lazare is governed by an
 7 account agreement, not the Service
 8 Level Agreement.
 9 Q. Is that why you made the
 10 decision not to tell Judge Carter about
 11 the Services Agreement?
 12 MR. FORESTA: Objection.
 13 Q. Did you think it was irrelevant
 14 to the issues before the Court?
 15 A. No. Again, we -- we -- I
 16 produced the Service Level Agreement as
 17 required.
 18 Q. You produced the agreement in
 19 September, 2013 in discovery after the
 20 Second Circuit reversed and remanded to
 21 the District Court for further
 22 proceedings. Is that correct?
 23 A. According to the timeline you've
 24 given me, yes.
 25 Q. Are you aware that the Service
 97: 1 Agreement requires ADB to open a
 2 pooling account at ADB -- at KBC New
 3 York, rather? Sorry.
 4 A. The account was already opened.
 5 Q. When was the pooling account
 6 opened at KBC New York?
 7 A. It was opened at -- I don't know
 8 the time but it's prior to the relevant
 9 time of this case.
 10 Q. Is it prior to the date of the
 11 Services Agreement, October, 1999?
 12 A. I believe so.
 13 Q. Okay.
 14 MR. FORESTA: Chris, we've been
 15 going about an hour and a half. Would
 16 this be a good time for a break?
 17 MR. SULLIVAN: Let's take five
 18 minutes.
 19 Q. So I ask you again, are you
 20 aware that the Services Agreement
 21 expressly requires ADB to open a
 22 pooling account at KBC New York?
 23 A. Yes, but the account was already
 24 opened.
 25 Q. But you're aware that the
 98: 1 agreement --
 2 A. Yes.
 3 Q. -- contains that express

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Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

98: 4 provision, correct?
 5 A. Correct.
 6 Q. And are you aware that the
 7 Services Agreement described how the
 8 pooling account operates in connection
 9 with bank accounts opened by New York
 10 diamond customers such as Lazare?
 11 MR. FORESTA: Objection. Go
 12 ahead. You can answer.
 13 A. Yes.
 14 Q. Okay. You didn't mention the
 15 pooling account in your Declaration,
 16 did you, Ms. Grimmig?
 17 A. No.
 18 Q. Veerle Snyers didn't mention the
 19 pooling account in her Declarations,
 20 did she?
 21 A. I don't recall.
 22 Q. Walter Haeck didn't mention the
 23 pooling account in his Declaration, did
 24 he?
 25 A. I don't recall.
 99: 1 Q. You do recall that you declared
 2 under penalty of perjury that the
 3 statements in your Declaration are true
 4 and correct, you do recall that?
 5 A. Yes.
 6 Q. You are a lawyer with a license
 7 to practice law in New York, are you
 8 not?
 9 A. Yes.
 10 Q. And you understand what it means
 11 to make a Declaration under oath?
 12 A. Yes.
 13 Q. Is there a reason why you didn't
 14 tell Judge Carter about the ADB pooling
 15 account at KBC New York?
 16 A. I think my Declaration mentioned
 17 that there was a -- ADB had an account
 18 with us.
 19 Q. Does it contain any reference to
 20 the pooling account?
 21 A. In KBC New York we do not call
 22 it a pooling account. It's just an ADB
 23 U.S. dollar account.
 24 Q. Can you point me to the
 25 reference in your Declaration that
 100: 1 describes the pooling account?
 2 (Whereupon, the Deponent reviews
 3 the document.)

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
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Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

100: 4 A. It mentions the Lazare Antwerp
 5 bank account.
 6 Q. But I'm asking you about the
 7 pooling account, or an account under
 8 any different terminology that you care
 9 to employ, is there a reference in your
 10 Declaration to the pooling account
 11 under any name, the ADB pooling account
 12 at KBC New York?
 13 A. No.
 14 Q. Were you trying to deceive the
 15 Court into granting KBC's motion by not
 16 informing Judge Carter about the ADB
 17 pooling account?
 18 A. Not at all.
 19 Q. Do you know why Veerle Snyers
 20 and Walter Haeck didn't tell the Court
 21 about the pooling account?
 22 A. No.
 23 Q. Did anyone tell you not to
 24 reference the pooling account?
 25 A. Not at all.

Pg: 101 Ln: 9 - Pg: 113 Ln: 24

Annotation:

101: 9 Q. So would you turn to the
 10 Services Agreement that is next to your
 11 attorney's letter as an exhibit and
 12 it's also separate in front of you, I
 13 believe?
 14 And let's begin with -- you
 15 testified, I believe, that the pooling
 16 account, the ADB pooling account at KBC
 17 New York, was opened prior to the date
 18 of the Services Agreement which is
 19 October 15, 1999. Is that correct?
 20 A. Yes.
 21 Q. So you were aware at the time
 22 you signed your Declaration that ADB
 23 had opened a pooling account at the New
 24 York branch of KBC, is that correct?
 25 A. Yes.
 102: 1 Q. And looking at the Services
 2 Agreement, itself, do you see the
 3 fourth "whereas" clause that reads --
 4 it's on page 1, "ADB agrees to open a
 5 pooling account with KBC to fund the
 6 payments effectuated by KBC on behalf
 7 of the diamond clients." Do you see

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Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

102: 8 that "whereas" clause?
 9 A. Yes.
 10 Q. And the reference to KBC is to
 11 KBC New York. Is that correct?
 12 A. Yes.
 13 Q. And Lazare was one of the
 14 diamond clients that was covered by
 15 this provision, correct?
 16 A. Once ADB had opened up a DDA
 17 account with New York.
 18 Q. Once ADB had opened up --
 19 A. Sorry. Lazare had opened up.
 20 Q. That upon opening an account at
 21 KBC New York Lazare was covered by this
 22 provision?
 23 A. Would be -- have the benefits.
 24 Q. Would have the benefits of this
 25 provision. Okay.
 103: 1 And ADB maintained that pooling
 2 account at KBC New York consistently
 3 through the relevant period of time --
 4 A. Yes.
 5 Q. -- correct? Okay. And would you
 6 take a look at paragraph 3 on page 2 of
 7 the Services Agreement? Would you read
 8 the first sentence of paragraph 3 to
 9 us?
 10 A. "Each day KBC clears the
 11 customer's account via ADB's pooling
 12 under agreement advisement with the
 13 diamond client."
 14 Q. So does the reference to
 15 customer's account include Lazare from
 16 and after the time Lazare opened an
 17 account at KBC New York?
 18 A. Yes.
 19 Q. So under this provision KBC New
 20 York is clearing Lazare's account at
 21 KBC New York via ADB's pooling. Is that
 22 correct?
 23 A. We would be making debits and --
 24 every debit and credit entry on
 25 Lazare's KBC New York account, we would
 104: 1 make a corresponding or the reverse
 2 entry, debit and credit on the what you
 3 call ADB's pooling account.
 4 Q. And what is the reference to
 5 "agreement/advisement with the diamond
 6 client" mean?
 7 A. Every time there was a debit or

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

104: 8 credit to Lazare's DDA account at KBC
 9 New York we informed both Lazare and we
 10 also at the same time informed ADB.
 11 Q. And turning to the second
 12 sentence, do you see the sentence that
 13 reads "Credit positions on the diamond
 14 client's accounts are transferred to
 15 the pooling account as well?"
 16 Again, does the reference to
 17 "diamond clients" include Lazare from
 18 and after the time Lazare opened an
 19 account at KBC New York?
 20 A. Yes.
 21 Q. And can you explain how credit
 22 positions on Lazare's account would be
 23 transferred to ADB's pooling account at
 24 KBC New York?
 25 A. At the end of each day KBC New
 105: 1 York would look at the balance on
 2 Lazare's DDA account. If there was a
 3 credit on the account a debit entry
 4 would be made on Lazare's DDA account
 5 at KBC New York to zero it out and a
 6 corresponding credit would be made to
 7 ADB's pooling account.
 8 Q. And this process pertains to
 9 both debits and credits in Lazare's
 10 account at KBC New York, correct?
 11 A. Yes.
 12 Q. So let's look at how you went
 13 about describing the concept of
 14 paragraph 3 in your Declaration,
 15 Ms. Snyers -- Grimmig, sorry. Would you
 16 turn to paragraph 11 of your sworn
 17 Declaration?
 18 Do you see in the second
 19 sentence of paragraph 11 the sentence
 20 that begins "Similarly and as described
 21 in the Snyers reply Declaration, if the
 22 amounts deposited in the KBC account
 23 exceeded the amounts withdrawn from the
 24 account on any given day the excess
 25 funds would be swept out of the account
 106: 1 regardless of whether the funds were
 2 unused credits from the Lazare Antwerp
 3 Bank account or payments received from
 4 Lazare's customers and credited to the
 5 Lazare Antwerp Bank account. The amount
 6 of the overdraft outstanding at the
 7 Lazare Antwerp Bank account would be

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

106: 8 reduced by the amount swept into the
 9 Lazare Antwerp Bank account?"
 10 Is that statement by you to the
 11 Court, Ms. Grimmig, consistent with
 12 paragraph 3 of the Services Agreement?
 13 A. The shared agreement has more
 14 details than the description in the
 15 Declaration.
 16 Q. Well, can you explain to me how
 17 the pooling account factors into the
 18 description in paragraph 11 of your
 19 Declaration that I just read out loud?
 20 What part of that pertains to the
 21 pooling account?
 22 A. So as I say, at the end of the
 23 day if there is a credit balance on
 24 Lazare's DDA account with KBC New York,
 25 KBC New York would put a debit entry on
 107: 1 the Lazare DDA account and then would
 2 make a credit entry on ADB's pooling
 3 account with -- to zero out Lazare's
 4 DDA account, and then once the funds
 5 are in the ADB's pooling account, ADB
 6 could do with those funds what it
 7 wanted to.
 8 Q. So, Ms. Grimmig --
 9 A. Let me step back. Sorry. Can I
 10 --
 11 Q. Please.
 12 A. So every time there was a debit
 13 or credit on the Lazare DDA account,
 14 notification was given to Lazare at the
 15 same time we were giving SWIFT messages
 16 in real-time informing ADB of debits
 17 and credits so that that ADB could be
 18 making entries on the Lazare's
 19 overdraft account at ADB.
 20 Q. So according to the Services
 21 Agreement, Lazare's credit position was
 22 reduced by the amount of funds that KBC
 23 New York swept into ADB's pooling
 24 account at KBC New York, correct?
 25 A. Correct.
 108: 1 Q. And that reduction was achieved
 2 via internal entries --
 3 A. Right.
 4 Q. -- to quote the Services
 5 Agreement, made by ADB upon receipt of
 6 notice, via informational SWIFT
 7 messages from KBC New York. Correct?

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

108: 8 Sorry, you have to answer out layout.
9 Court reporter can't take down a nod.
10 A. Sorry. Correct.
11 Q. So to be clear, the funds,
12 positive or negative, from Lazare's
13 bank account at KBC New York were swept
14 by KBC New York into ADB's pooling
15 account at KBC New York, correct?
16 A. Correct.
17 Q. So, Ms. Grimmig, it's not true
18 then that KBC New York swept funds from
19 Lazare's bank account at KBC New York
20 into an alleged Lazare bank account at
21 ADB Belgium, is it?
22 MR. FORESTA: Objection. You
23 can answer.
24 A. KBC New York only had authority
25 to withdraw funds out of Lazare's DDA
109: 1 account and put them into ADB's pooling
2 account. Once the money was in ADB's
3 pooling account, ADB could do what it
4 wanted with those funds, and if they
5 wanted to move those funds out of the
6 ADB pooling account to anyplace else,
7 they had the right to do so.
8 Q. But that's not what you told the
9 Judge. In your Declaration you told the
10 Judge, under oath, that the monies in
11 Lazare's bank account, the balance,
12 positive or negative, was swept into an
13 alleged bank account in Belgium. You
14 left out the pooling account. You left
15 out the fact that the sweeping process
16 went from Lazare bank account at KBC
17 New York to ADB bank account at KBC New
18 York. Why did you do that?
19 MR. FORESTA: Objection. You can
20 answer.
21 A. Because ultimately the funds
22 went to ADB.
23 Q. So you made the decision not to
24 tell Judge Carter about the
25 intermediate step, you jumped right to
110: 1 "ultimately". Is that your testimony,
2 Ms. Grimmig?
3 MR. FORESTA: Objection.
4 A. The Declaration is supposed to
5 give as accurate a description of the
6 process as possible, but it's not meant
7 to contain every nitty-gritty detail of

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

110: 8 the process.
9 Q. Is that -- is the pooling
10 account a nitty-gritty detail, Ms.
11 Grimmig? Is that your testimony?
12 A. My testimony is that at the end
13 of the day what was important to
14 disclose was that the funds ultimately
15 went into the possession of ADB.
16 Q. Who made the decision as to what
17 was important to disclose to Judge
18 Carter in connection with your
19 attorney's motion, you?
20 MR. FORESTA: Note my objection.
21 Q. You?
22 MR. FORESTA: I'll just caution
23 you not to disclose sum or substance of
24 any discussions that you had with
25 counsel, to the extent you did.
111: 1 A. It was not my -- I did not take
2 a decision.
3 Q. You didn't make the decision not
4 to disclose to Judge Carter in this
5 lawsuit the existence of the pooling
6 account or the operation of the pooling
7 account? Is that your testimony?
8 MR. FORESTA: Objection. You can
9 answer.
10 A. In my Declaration I made a
11 disclosure of the process of the
12 handling of the KBC New York DDA
13 account for Lazare and KBC New York's
14 handling of ADB's pooling account. I
15 did not provide nitty-gritty details.
16 Q. You knew at the time you signed
17 your Declaration that no money went to
18 or from Belgium in this process, didn't
19 you, Ms. Grimmig?
20 A. I don't know that's a true
21 statement. ADB -- the funds went into
22 -- the funds were owned by ADB. ADB
23 can do with those funds as it wanted
24 to.
25 Q. We're talking about the
112: 1 allegation or the factual assertion in
2 your Declaration regarding the movement
3 of monies, positive or negative
4 balances, out of Lazare's bank account?
5 A. Okay.
6 Q. And I'm asking you whether you
7 knew at the time you signed your

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

112: 8 Declaration under oath that the money,
 9 the positive or negative balance moved
 10 from Lazare's bank account in New York
 11 to ADB's bank account in New York? Did
 12 you know that at the time you signed
 13 your Declaration?
 14 A. I knew that KBC New York would,
 15 at the end of the day, put a debit
 16 entry on Lazare's DDA account and make
 17 a corresponding credit entry on ADB's
 18 U.S. what you call pooling account.
 19 Once those funds went into the pooling
 20 account, ADB had the right to do with
 21 those funds as it pleased.
 22 Q. And you testified earlier, I
 23 believe, that you drafted your
 24 Declaration?
 25 A. Yes, I did.
 113: 1 Q. So without disclosing anything
 2 that your attorneys may have said to
 3 you, did you discuss with anyone before
 4 signing your Declaration the decision
 5 to describe the contents of the
 6 Services Agreement in the manner in
 7 which you did?
 8 A. I wrote it, so...
 9 Q. Did you discuss with anyone the
 10 decision not to tell Judge Carter about
 11 the pooling account, the movement of
 12 monies or the Services Agreement --
 13 MR. FORESTA: Objection.
 14 Q. -- other than counsel?
 15 MR. FORESTA: You can answer.
 16 A. No, but --
 17 Q. Sorry.
 18 A. -- but the shared agreement was
 19 not deemed -- I did not -- as long as I
 20 disclosed the process, I didn't think
 21 it was necessary to explicitly
 22 reference the shared agreement. There
 23 was no intention to -- to hide or --
 24 the existence of the sharing agreement.

Pg: 114 Ln: 4 - Pg: 118 Ln: 23

Annotation:

114: 4 Q. I'm going to ask you to turn to
 5 the sworn Declaration submitted by
 6 Veerle Snyers to the Court, which is
 7 115 and 117. I'm going to direct to you

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Pg: 114 Ln: 4 - Pg: 118 Ln: 23 continued...

Annotation:

114: 8 page 6, paragraph 11 of Ms. Snyers'
 9 sworn Declaration, which is dated June
 10 18, 2012 -- sorry -- June 14, 2012, and
 11 in particular, subparagraph H on page
 12 6.
 13 Do you recall reviewing the
 14 language in paragraph 11(h) of
 15 Ms. Snyers' Declaration before signing
 16 your own Declaration?
 17 A. I recall reading her
 18 Declaration, but I don't remember the
 19 specifics.
 20 Q. Do you know who drafted Ms.
 21 Snyers' Declaration?
 22 A. It's my understanding that she
 23 drafted it, herself.
 24 Q. And did you consider Ms. Snyers
 25 competent to testify regarding the
 115: 1 matters discussed in her Declaration?
 2 A. As the author of her
 3 Declaration, I would say she was
 4 competent to testify with respect to
 5 it.
 6 Q. Do you know Ms. Snyers, other
 7 than casually?
 8 A. No.
 9 Q. You're not friends?
 10 A. No.
 11 Q. Did you take any steps to verify
 12 whether the statements in Ms. Snyers'
 13 Declaration were accurate and true
 14 before you signed your own Declaration?
 15 A. Yes.
 16 Q. What steps did you take?
 17 A. I discussed with our Cash
 18 Management and Payment Department how
 19 DDA accounts worked and the zero
 20 balancing of accounts worked.
 21 Q. And who is that person? What is
 22 the name of that person.
 23 A. Ruggerio Pestana.
 24 Q. Based here in New York?
 25 A. Yes.
 116: 1 Q. And directing your attention in
 2 particular to the last sentence of (h),
 3 11(h), do you see where it says "In
 4 addition, because the account at KBC
 5 New York is a Zero Balance Account any
 6 funds transferred into the KBC New York
 7 account are automatically credited to

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Pg: 114 Ln: 4 - Pg: 118 Ln: 23 continued...

Annotation:

116: 8 or swept into the customer's bank
 9 account at Antwerp Bank at the end of
 10 the day."

11 Do you see where Ms. Snyers
 12 wrote that?

13 A. Right.

14 Q. She didn't reference the pooling
 15 account either, did she, in this
 16 description?

17 A. No.

18 Q. Do you know why?

19 A. No.

20 Q. Did you rely on the language in
 21 her Declaration, the "swept into the
 22 customer's bank account at Antwerp
 23 Bank?" Did you rely on that language
 24 in drafting your own Declaration?

25 A. No. I relied on my conversations
 117: 1 with my Cash Management and Payment
 2 team, who told me every time there was
 3 a debit or credit to Lazare's DDA
 4 account with KBC New York, KBC New
 5 York, in real-time, would send a SWIFT
 6 message to ADB in -- in Belgium of the
 7 debit and credit so they could make a
 8 corresponding entry into the overdraft
 9 account that Lazare had at ADB.

10 Q. And that corresponding entry is
 11 a book entry or an accounting entry?

12 A. Yes.

13 Q. Is that correct?

14 A. KBC New York does not handle
 15 physical cash.

16 Q. And dollars never leave America,
 17 do they, Ms. Grimmig?

18 A. They can't.

19 Q. Did they, in this case, ever
 20 leave?

21 A. ADB's pooling account, yes, had
 22 both debits and credits to the account
 23 and so, the debit entry would require
 24 movement of funds.

25 Q. Is it your testimony that U.S.
 118: 1 dollars moved from the pooling account
 2 to Belgium as opposed to accounting or
 3 bookkeeping entries?

4 MR. FORESTA: Note my objection.

5 Q. Was there a physical movement of
 6 dollars?

7 A. We -- KBC New York does not

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Pg: 114 Ln: 4 - Pg: 118 Ln: 23 continued...

Annotation:

118: 8 handle physical cash, so movement of
 9 funds was done by -- by book entries.
 10 Q. And that's true of all the
 11 increases and decreases to Lazare's
 12 outstanding loan balance under the
 13 credit facility, correct? All that
 14 happened were book entries or
 15 accounting entries? All that happened
 16 in Belgium were book entries or
 17 accounting entries, correct?
 18 MR. FORESTA: Note my objection.
 19 Q. You can answer.
 20 A. That is how banks transfer
 21 money. You don't physically deliver
 22 cash, you do wire transfers of funds
 23 which are book entries.

Pg: 140 Ln: 25 - Pg: 145 Ln: 11

Annotation:

140:25 Q. Would you turn to your
 141: 1 Declaration again, paragraph 2 but at
 2 the top of page 2?
 3 A. Right.
 4 Q. Do you see the sentence, second
 5 to last sentence that reads "I submit
 6 this Declaration to describe KBC's
 7 relationship with Lazare, its local
 8 partner banking relationship with
 9 Antwerp Bank etcetera etcetera"? Do
 10 you see where I'm reading from?
 11 A. Yes.
 12 Q. What does the reference to KBC's
 13 local partner relationship with Antwerp
 14 Bank mean?
 15 A. KBC New York provided a U.S.
 16 dollar account for ADB.
 17 Q. What is a local partner bank?
 18 A. I don't know.
 19 Q. Well, you wrote the Declaration.
 20 So --
 21 A. I think for me it was just
 22 describing that we opened up a U.S.
 23 dollar clearing account for ADB and we
 24 would open up a DDA account for ADB's
 25 U.S. customers to facilitate ADB's
 142: 1 overdraft account with the same
 2 customer.
 3 Q. But you knew at the time you
 4 wrote this that ADB had also opened a

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Pg: 140 Ln: 25 - Pg: 145 Ln: 11 continued...

Annotation:

142: 5 pooling account at KBC New York, a
6 pooling account?
7 A. That is what I call the U.S.
8 dollar account. Sorry. It's --
9 Q. How many different accounts did
10 ADB open and/or maintain at KBC New
11 York during the relevant period of
12 time?
13 A. I believe it had -- it had the
14 U.S. dollar account, the pooling
15 account.
16 Q. Is that the only bank account
17 you're aware of?
18 A. I believe it might have also had
19 a second account that was an expense
20 account.
21 Q. Is that a subaccount or a
22 separate bank account?
23 A. It's a separate bank account.
24 Q. Were there any subaccounts to
25 either of the pooling account or the
143: 1 expense account?
2 A. No.
3 Q. What is an expense account?
4 A. I believe it was an account used
5 to cover ADB's cost and expenses with
6 respect to the New York Rep Office. So
7 it would cover their rental payments on
8 the ADB New York reps sublease here in
9 New York.
10 Q. ADB sublet its space from KBC
11 New York?
12 A. Yes, it did.
13 Q. And it paid rent for that space?
14 A. Yes.
15 Q. Is the term "local partner bank"
16 defined in any banking rules or
17 regulations or laws that you're aware
18 of?
19 A. No.
20 Q. Where did you get the term?
21 A. It was just a term describing --
22 in this case, it was describing the --
23 the KBC New York opening a DDA account
24 on behalf of ADB's diamond customers in
25 the U.S.
144: 1 Q. What is the difference between a
2 local partner bank relationship and a
3 correspondent bank relationship?
4 A. They can be the same.

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Pg: 140 Ln: 25 - Pg: 145 Ln: 11 continued...

Annotation:

144: 5 Q. Can they be different?
 6 A. They can be different.
 7 Q. In what sense can they be
 8 different?
 9 A. I think in this particular case
 10 we provided ADB with not just U.S.
 11 dollar clearing, but we also agreed to
 12 open up DDA accounts for ADB's diamond
 13 customers in the U.S. to facilitate an
 14 overdraft account between ADB and such
 15 diamond customers.
 16 Q. Is a local partner bank
 17 relationship different in any other
 18 respect from a correspondent bank
 19 relationship?
 20 A. It could be.
 21 Q. In what other respects could it
 22 be different?
 23 A. We could have -- if the bank
 24 provided any other services to ADB
 25 or...
 145: 1 Q. So did I understand correctly
 2 that a local partner bank has a greater
 3 responsibility than a correspondent
 4 bank?
 5 A. Not greater. It could be
 6 different.
 7 Q. But you don't know where the
 8 term comes from?
 9 A. No. It's just a term I used to
 10 describe the relationship between ADB
 11 and myself -- and KBC New York.

Pg: 145 Ln: 12 - Pg: 147 Ln: 25

Annotation:

145:12 Q. Are the operational banking
 13 services that are described in the
 14 Service Agreement correspondent bank
 15 services?
 16 A. I think it -- no. It's more
 17 focused on -- I don't recall. I would
 18 have to read the agreement.
 19 Q. The Services Agreement?
 20 A. But I think the Service
 21 Agreement was primarily focusing on KBC
 22 New York agreeing to open up DDA
 23 accounts for ADB's customers to
 24 facilitate ADB's overdraft accounts
 25 with the same customer.

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Pg: 145 Ln: 12 - Pg: 147 Ln: 25 continued...

Annotation:

146: 1 Q. Well, would you turn back to the
2 Services Agreement, and in particular
3 the second "whereas" clause on page 1?
4 It's annexed to 57.
5 MR. D'ANGELO: It's a separate
6 document.
7 Q. It's a pile in that folder.
8 There should be a Services Agreement
9 folder in there.
10 So directing your attention to
11 the second "whereas" clause, would you
12 read that clause?
13 A. "KBC agrees to provide certain
14 operational services to ADB and to
15 ADB's clients, hereinafter referred to
16 as diamond clients, specifically
17 allowing diamond clients to open
18 current accounts in their books and
19 effectuating both local and
20 international payments and other
21 banking services on behalf of the
22 diamond clients."
23 Q. Thank you. So doesn't this
24 clause indicate to you that KBC was
25 agreeing to provide operational
147: 1 services to ADB as well as to ADB's
2 clients?
3 That's what the clause says
4 doesn't it, Ms. Grimmig?
5 A. Yes.
6 Q. So the services were not limited
7 to the clients of ADB, they included
8 services provided by KBC New York to
9 ADB?
10 A. With respect to ADB's clients.
11 Q. Okay. So I ask you again, are
12 the operational banking services
13 described in the clause you just read
14 correspondent banking services?
15 A. No.
16 Q. Why not?
17 A. I view corresponding banking
18 relationship to refer to the U.S.
19 dollar clearing activity.
20 Q. And do you view correspondent
21 banking services to be limited to the
22 U.S. dollar clearing activity?
23 A. Typically the terminology is
24 used with respect to U.S. dollar
25 clearing activity.

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Pg: 148 Ln: 7 - 18

Annotation:

148: 7 Q. Do you know whether KBC New York
 8 has an agreement with ADB concerning
 9 correspondent banking services, other
 10 than the Services Agreement? Is there a
 11 separate agreement of any kind?
 12 A. I would believe that there is an
 13 account opening agreement between ADB
 14 and KBC New York.
 15 Q. Other than the account opening
 16 agreement, is there another agreement
 17 of any kind --
 18 A. Not to my knowledge.

Pg: 151 Ln: 21 - 25

Annotation:

151:21 Q. The Lazare account was a Zero
 22 Balance Account, wasn't it, Ms.
 23 Grimmig?
 24 A. It zeroed out at the end of
 25 every day.

Pg: 158 Ln: 10 - Pg: 159 Ln: 17

Annotation:

158:10 Q. Would you look at paragraph 3 of
 11 your Declaration?
 12 A. Okay.
 13 Q. You see at the end of paragraph
 14 3 you cite to Ms. Snyers' Declaration
 15 at paragraph 7?
 16 A. Yes.
 17 Q. Did you also rely on Ms. Snyers'
 18 Reply Declaration in the case?
 19 A. I don't recall.
 20 Q. Do you see at the top of
 21 paragraph 3, second sentence, the
 22 sentence that reads "The KBC account is
 23 an ordinary checking account, also
 24 known as a Demand Deposit Account."
 25 A. Yes.
 159: 1 Q. The KBC account to which you are
 2 referring in this sentence is Lazare's
 3 bank account at KBC New York, correct?
 4 A. Yes.
 5 Q. Okay. Was that account a
 6 checking account?
 7 A. I believe it had checking
 8 possibilities. I don't know if checks
 9 were ordered.

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Pg: 158 Ln: 10 - Pg: 159 Ln: 17 continued...

Annotation:

159:10 Q. You don't know whether KBC New
 11 York ever provided checks to Lazare?
 12 A. I don't know if Lazare ever
 13 requested checks. If it did so we
 14 would have furnished them to them.
 15 Q. What is your definition of an
 16 ordinary checking account?
 17 A. An ordinary demand account.

Pg: 161 Ln: 22 - Pg: 162 Ln: 12

Annotation:

161:22 Q. Do the bank statements that KBC
 23 New York issued to Lazare show deposits
 24 of funds into Lazare's account before
 25 being wired to the beneficiary
 162: 1 A. designated by Lazare in its payment
 2 orders?
 3 Q. I -- the account statements just
 4 reflect the activity on the account for
 5 a particular day. I don't think it --
 6 it lists the order in which the payment
 7 is processed. It just shows debits and
 8 credits, in aggregates, the debits and
 9 credits. So it's -- it's just showing
 10 -- it's not showing the timing or the
 11 order of the payments by time, if my
 12 memory serves me right.

Pg: 162 Ln: 13 - Pg: 163 Ln: 4

Annotation:

162:13 Q. Do you understand how a Zero
 14 Balance Account works?
 15 A. Yes.
 16 Q. Is a Zero Balance Account an
 17 ordinary checking account?
 18 A. It can be, yes.
 19 Q. How does a Zero Balance Account
 20 work?
 21 A. At the end of the day you look
 22 at the balance on the account. If there
 23 is an outstanding credit, then the
 24 credit is -- a debit entry is made to
 25 the account equal to the credit balance
 163: 1 and the money is swept out and moved
 2 into another account, so that the
 3 account has a balance of zero at the
 4 end of the day.

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Pg: 163 Ln: 18 - Pg: 164 Ln: 7

Annotation:

163:18 Q. Do you know when Lazare
 19 submitted the necessary account opening
 20 information to KBC New York to set up
 21 its account?
 22 A. It would be contained in the
 23 account opening documentation that was
 24 produced.
 25 Q. Okay. And do you know whether
 164: 1 the necessary account opening
 2 information was complete as of
 3 December, 2000?
 4 A. I don't know the date. I know it
 5 started in the end of one year and got
 6 completed in the following year, but I
 7 don't know the exact years.

Pg: 164 Ln: 8 - Pg: 167 Ln: 14

Annotation:

164: 8 Q. Would you look at paragraph 4 of
 9 your Declaration, and in particular, to
 10 the second sentence that reads
 11 "Contrary to the statement in the
 12 Moryto Affidavit that KBC was a primary
 13 banker to Lazare, KBC's New York branch
 14 only provided basic account services
 15 for Lazare's KBC account which were
 16 incidental to Lazare's bank account at
 17 Antwerp Bank, etcetera." Do you see
 18 where I'm reading from?
 19 A. Yes.
 20 Q. Let me ask you a few questions
 21 about your definition of "bank account
 22 services."
 23 You told us that KBC New York
 24 provided the operational banking
 25 services that are described in the
 165: 1 Services Agreement, correct?
 2 A. Correct.
 3 Q. And according to the Services
 4 Agreement those operational banking
 5 services were provided through the bank
 6 account that ADB -- or bank accounts
 7 that ADB's customers in New York opened
 8 at KBC New York, correct?
 9 A. Correct.
 10 Q. Okay. And Lazare, one of ADB's
 11 diamond customers in New York, opened
 12 its bank account at the New York branch
 13 of KBC at the direction of ADB,

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Pg: 164 Ln: 8 - Pg: 167 Ln: 14 continued...

Annotation:

165:14 correct?
15 A. Yes.
16 Q. And the operational banking
17 services that KBC New York provided
18 under the Services Agreement included
19 accepting payment orders from Lazare
20 under its credit facility with ADB,
21 correct?
22 A. Correct.
23 Q. And matching the payment orders
24 with Lazare's available credit under
25 its credit facility, correct?
166: 1 A. Correct.
2 Q. And effectuating or executing
3 the payments in accordance with
4 Lazare's instructions, correct?
5 A. Correct.
6 Q. Accepting incoming payments to
7 Lazare and booking them accordingly,
8 correct?
9 A. Correct.
10 Q. Opening a pooling account for
11 ADB at KBC New York to reimburse itself
12 for the payments it made for Lazare,
13 correct?
14 A. Correct.
15 Q. By agreement with Lazare,
16 notifying ADB what it did via SWIFT
17 electronic message so that ADB could
18 adjust its records accordingly with
19 respect to Lazare's outstanding loan
20 balance, correct?
21 A. Correct.
22 Q. Is it your testimony, Ms.
23 Grimmig, that each of these banking
24 services that I've just read to you is
25 a basic account service?
167: 1 A. Yes.
2 Q. And do you consider these
3 account services to be de minimus
4 business dealings with Lazare?
5 A. Yes.
6 Q. And these banking services were
7 all provided to Lazare here in New
8 York, correct?
9 A. With respect to KBC New York?
10 Q. Yes.
11 A. Yes.
12 Q. And they're all services
13 provided by KBC New York, correct?

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Pg: 164 Ln: 8 - Pg: 167 Ln: 14 continued...

Annotation:

167:14 A. Correct.

Pg: 167 Ln: 25 - Pg: 168 Ln: 9

Annotation:

167:25 Q. Which bank disbursed to the
168: 1 payee designated by Lazare, Ms.
2 Grimmig? Who executed or effectuated
3 the payment order?
4 A. Out of the KBC New York account
5 it was KBC New York.
6 Q. Okay. Which bank accepted the
7 repayment into the KBC -- Lazare's KBC
8 New York bank account?
9 A. KBC New York.

Pg: 168 Ln: 20 - Pg: 171 Ln: 1

Annotation:

168:20 Q. Which bank calculated the amount
21 due under the credit facility before
22 effectuating or executing Lazare's
23 payment orders?
24 A. ADB furnished the credit limit
25 to KBC New York, so that KBC New York
169: 1 could process payments based on the
2 availability under the overdraft
3 account.
4 Q. Is that what the Services
5 Agreement says, Ms. Grimmig, or is that
6 what you say?
7 A. That's how it worked.
8 Q. What does the Services Agreement
9 say? Let me direct your attention to
10 paragraph 1.
11 The second sentence, "KBC will
12 keep records of the movements on the
13 diamond client's accounts in order to
14 be able to calculate the available
15 credit against those lines."
16 A. In order to do so ADB had to
17 first furnish to KBC New York the
18 credit limit under the overdraft
19 account between KBC New York -- between
20 ADB and ADB's customer.
21 Q. Okay.
22 A. So we needed to know -- so ADB
23 had to furnish the credit limit. Once
24 that was -- KBC was informed of the
25 credit limit, then KBC would process

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Pg: 168 Ln: 20 - Pg: 171 Ln: 1 continued...

Annotation:

170: 1 payments, depending upon availability
 2 under the overdraft.
 3 KBC New York would inform both
 4 Lazare and ADB in real-time every time
 5 there was a debit or credit entry on
 6 the KBC New York account, so that a
 7 corresponding entry could be made on
 8 the ADB overdraft account. It's not one
 9 or the other. It's -- it starts -- it
 10 starts and ends with ADB.
 11 Q. Where did ADB get the
 12 information about the transactions in
 13 Lazare's bank account? From where did
 14 ADB get the information?
 15 A. KBC New York -- first of all,
 16 ADB would inform KBC New York about the
 17 credit limit and then if there was a
 18 debit entry on a KBC New York account
 19 on any particular day, KBC New York
 20 informed both Lazare and ADB in
 21 real-time of each and every debit and
 22 credit entry.
 23 Q. So KBC New York was the source
 24 of the debit and credit information
 25 that ADB received?
 171: 1 A. Yes.

Pg: 174 Ln: 1 - 18

Annotation:

174: 1 Q. Did KBC New York perform
 2 enhanced due diligence procedures on
 3 any bank accounts or banking activities
 4 undertaken by New York diamond clients
 5 of ADB?
 6 A. Diamond customers were in a risk
 7 category as being high risk, yes.
 8 Q. So the answer is yes?
 9 A. Yes.
 10 Q. How about enhanced due diligence
 11 with respect to ADB, the holder of the
 12 local partner bank or correspondent
 13 bank account at KBC New York?
 14 A. As you mentioned before, under
 15 the corresponding banking rules and
 16 regulations they're subject to
 17 additional AML documentation
 18 requirements.

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Pg: 189 Ln: 5 - Pg: 191 Ln: 16

Annotation:

189: 5 Q. Ms. Grimmig, would you turn to
 6 Plaintiff's Exhibit 55, which is one of
 7 the loose documents in that pile in
 8 front of you in that folder?
 9 Do you recognize that document?
 10 A. Yes.
 11 Q. What is it?
 12 A. It's a Letter Agreement between
 13 ADB and Lazare.
 14 Q. And it's dated May 31, 2001. Is
 15 that correct?
 16 A. Yes.
 17 Q. It pertains to the bank account
 18 that Lazare opened at the New York
 19 branch of KBC, does it not?
 20 A. Yes.
 21 Q. And did anyone at KBC New York
 22 participate in the drafting of this
 23 document?
 24 A. No.
 25 Q. Do you know who drafted this
 190: 1 document?
 2 A. It's on ADB's letterhead, so I
 3 assume an ADB officer drafted it.
 4 Q. Are you acquainted with Philippe
 5 Loral?
 6 A. I know the name.
 7 Q. Do you know whether he drafted
 8 this document?
 9 A. No.
 10 Q. Have you ever met Mr. Loral?
 11 A. No.
 12 Q. Ever spoken with him?
 13 A. No.
 14 Q. Do you know whether diamond
 15 clients of ADB, other than Lazare, who
 16 open accounts at KBC New York sign this
 17 kind of agreement?
 18 A. If they were opening up a DDA
 19 account to effectuate their overdraft
 20 account between ADB and themselves,
 21 then we would have got this document.
 22 KBC New York would have received this
 23 document.
 24 Q. Is it fair to say then that you
 25 are familiar with this form of
 191: 1 document?
 2 A. I've seen it, yes.
 3 Q. You've seen it in contexts other
 4 than Lazare?

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Pg: 189 Ln: 5 - Pg: 191 Ln: 16 continued...

Annotation:

191: 5 A. It would be part of the customer
 6 file.
 7 Q. When you say "part of the
 8 customer file", do you mean the account
 9 opening documentation that customers
 10 sign and submit to KBC New York in
 11 connection with bank accounts that they
 12 open at KBC New York?
 13 A. Yes. Customer file has the
 14 account opening documentation and KYC
 15 information and verification
 16 documentation.

Pg: 192 Ln: 21 - Pg: 193 Ln: 6

Annotation:

192:21 Q. Well, directing your attention
 22 to the first sentence that reads "We
 23 hereby agree that all disbursements and
 24 payments under our credit facility with
 25 Antwerpse Diamantbank NV has been
 193: 1 effected through our account with KBC
 2 NV New York branch and shall result in
 3 a same day debit or credit to our loan
 4 balance with Antwerpse Diamantbank NV",
 5 do you see that language?
 6 A. Yes.

Pg: 193 Ln: 17 - Pg: 195 Ln: 14

Annotation:

193:17 Q. Was this document signed
 18 pursuant to the Services Agreement that
 19 you testified about earlier this
 20 morning?
 21 A. It's a separate document.
 22 Q. Is it contemplated by the
 23 Services Agreement?
 24 A. I don't know if contemplated is
 25 the right word.
 194: 1 Q. Well, let me direct your
 2 attention to the Services Agreement,
 3 which you should also have in front of
 4 you in the loose pile. And in
 5 particular, to the third "whereas"
 6 clause that begins "In agreement with
 7 the diamond clients etcetera." Do you
 8 see that?
 9 A. Yes.
 10 Q. Is Plaintiff's 55 the agreement

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Pg: 193 Ln: 17 - Pg: 195 Ln: 14 continued...

Annotation:

194:11 with the diamond clients that's
 12 referred to in the third "whereas"
 13 clause in the Services Agreement?
 14 MR. FORESTA: Note my objection.
 15 Go ahead and answer.
 16 A. You would need -- KBC New York
 17 would need this document in order to
 18 communicate information about debits --
 19 payments falling through KBC New York
 20 with the DDA account with Lazare.
 21 Q. Did KBC New York rely upon
 22 Plaintiff's 55 in order to communicate
 23 information to ADB about payments?
 24 A. Yes.
 25 Q. Did KBC New York keep either the
 195: 1 original or a copy of this document in
 2 its files?
 3 A. KBC would not have the original.
 4 It's a -- it's a document between ADB
 5 and Lazare. So either ADB -- both ADB
 6 and Lazare should have the original.
 7 KBC New York would have a copy.
 8 Q. But it was necessary for Lazare
 9 to sign this document in order to open
 10 its bank account at KBC New York. Is
 11 that correct?
 12 A. It was necessary for them to be
 13 able to open the account and utilize
 14 the account at KBC New York.

Pg: 197 Ln: 4 - Pg: 198 Ln: 24

Annotation:

197: 4 Q. And moving up to paragraph 3,
 5 second paragraph, do you see where it
 6 says in the second clause, first clause
 7 second paragraph, "If these clearing
 8 operations yield a balance deficiency
 9 on the pooling account KBC New York
 10 will grant ADB an overnight placement
 11 on money market rates on a best efforts
 12 basis."
 13 A. Yes.
 14 Q. What is that talking about? What
 15 does that sentence mean?
 16 A. If -- if at the end of the day
 17 you would reconcile the DDA account of
 18 Lazare, if it had a debit balance you
 19 -- we would access funds out of ADB's
 20 pooling account.

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Pg: 197 Ln: 4 - Pg: 198 Ln: 24 continued...

Annotation:

197:21 If the ADB pooling account did
 22 not have sufficient funds, KBC would
 23 lend funds to ADB in order to cover the
 24 negative balance.
 25 Q. And those funds would be loaned
 198: 1 or lent on money market rates?
 2 A. They would be lent on an
 3 overnight basis at a market rate.
 4 Q. And what does the sentence after
 5 that mean, the sentence that refers to
 6 "This placement will be against the
 7 presently established line at KBC New
 8 York etcetera?"
 9 A. KBC provided a -- had an
 10 overdraft limit with respect to the
 11 U.S. dollar accounts held by KBC
 12 entities, including ADB.
 13 Q. Can you explain what you mean
 14 when you say that they had an overdraft
 15 limit with respect to the accounts?
 16 A. Essentially, a line of credit
 17 with a maximum -- maximum amount that
 18 could be utilized.
 19 Q. So do I understand correctly
 20 that KBC extended a line of credit to
 21 ADB for use in connection with the
 22 arrangement discussed in this Services
 23 Agreement?
 24 A. KBC could extend credit to ADB.

Pg: 200 Ln: 7 - Pg: 204 Ln: 23

Annotation:

200: 7 Q. Okay. Well, directing your
 8 attention to the first sentence of
 9 paragraph 3 that begins "Each day KBC
 10 clears customer's account via ADB's
 11 pooling etcetera", at what point in the
 12 day did KBC clear the customer's
 13 account?
 14 A. Lazare's?
 15 Q. Or any customer that is covered
 16 by this agreement.
 17 A. So intraday there would be
 18 debits and credits on Lazare's KBC New
 19 York DDA account in real-time. Those
 20 debits and credits were reported to
 21 Lazare and at the same time to ADB to
 22 make the corresponding entries on the
 23 overdraft account.

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Pg: 200 Ln: 7 - Pg: 204 Ln: 23 continued...

Annotation:

200:24 At the end of the day KBC New
25 York would reconcile the balance to see
201: 1 whether or not there was a credit
2 balance or a -- and if there was a
3 credit balance the account would be
4 zeroed out and there would be a debit
5 on the KBC New York DDA account and
6 there would be a credit to the ADB, as
7 you call it, pooling account.

8 Q. So the reconciliation took place
9 at the end of the day, the settling of
10 the transactions?

11 A. The final settlement of the
12 transactions, because debits and
13 credits are made throughout the day on
14 the -- on any bank account. They're not
15 all done at the end of the day. It's
16 done throughout the day, with a final
17 reconciliation at the end of the day.

18 Q. Why does the second paragraph
19 refer to an overnight placement in the
20 event that the clearing operations that
21 you've described yield a balance
22 deficiency on the pooling account?

23 A. Because as I mentioned before,
24 for administrative convenience we might
25 not have made debit entries against

202: 1 ADB's account to fund payment orders or
2 for insufficient -- to cover the
3 insufficient funds in the KBC New York
4 DDA account during the day, we just
5 would do one final settlement and
6 reconciliation at the end of the day.

7 Q. And when KBC effectuates or
8 executes a payment order from a
9 customer like Lazare, under the
10 arrangement described in this Services
11 Agreement, where does KBC obtain the
12 funds with which to fulfill or carry
13 out that payment order?

14 A. Ultimately, the funds are
15 acquired from ADB.

16 Q. In the first instance where does
17 it obtain the funds? Whose funds does
18 it use?

19 A. First instance, the customer's
20 funds. It's a DDA account. So they
21 might have deposits of funds from their
22 selling of goods and services to
23 another counterparty. So the first

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Pg: 200 Ln: 7 - Pg: 204 Ln: 23 continued...

Annotation:

202:24 source of funds is their own funds.
25 Q. And if the Zero Balance Account
203: 1 does not contain the funds with which
2 to execute the payment order?
3 A. KBC New York would look to see
4 what the credit limit was on the ADB
5 overdraft account. If there was
6 availability under the ADB overdraft
7 account, KBC could and at times did use
8 its own funds intraday and then at the
9 end of the day reconciled and settled
10 with ADB and ADB would cover KBC, such
11 that it was ADB funds and ADB retained
12 the credit risk.
13 Q. And why do you say "at times",
14 as opposed to all the time?
15 A. We had -- KBC New York had the
16 right to make entries against the ADB
17 account for the funds at any point in
18 time, because the funds were available.
19 We just -- for administrative purposes
20 it was easier, instead of making
21 multiple entries throughout the day
22 because there could be debits and
23 credits, depending upon the flow and
24 funds in and out of the account. We
25 did it -- it was administratively more
204: 1 convenient to tend to do it at the end
2 of the day and do it once. It saved --
3 it save the -- in this case Lazare, in
4 the sense that we didn't have to access
5 the overdraft account, it saved them
6 interest and also saved them fees and
7 also saved ADB fees.
8 Q. And when you say "it", you are
9 referring to the reconciliation between
10 KBC's funding of Lazare's payment order
11 and KBC's -- and the settling of that
12 transaction against the pooling
13 account?
14 A. Yeah.
15 Q. And all that took place in New
16 York?
17 A. KBC New York handled its side of
18 the transaction and ADB -- KBC handled
19 everything with respect to the KBC New
20 York DDA account for Lazare, and what
21 you call the ADB pooling account. ADB
22 in Belgium handled the ADB overdraft
23 account.

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Pg: 205 Ln: 1 - Pg: 207 Ln: 9

Annotation:

205: 1 Q. So the what I call the pooling
2 account is the pooling account that is
3 referred to in your Services Agreement,
4 Ms. Grimmig --
5 A. Right.
6 Q. -- in case there is any
7 question?
8 A. Right.
9 Q. You understand that?
10 A. Yes.
11 Q. Do you understand what the
12 approximate amount of U.S.
13 dollar-denominated transactions was
14 that KBC New York executed for ADB and
15 its customers in any given year during
16 the relevant period of time?
17 A. It would be -- through ADB's
18 U.S. dollar account?
19 Q. Yes.
20 A. Billions of dollars.
21 Q. And did all of those
22 transactions flow through the ADB
23 pooling account at KBC New York?
24 A. If KBC New York was handling the
25 U.S. dollar clearing activity on that
particular payment, yes. If they used
another bank, ADB used another U.S.
clearing account with another bank, no.
4 Q. Were clearing activities
5 conducted through the pooling account
6 as well as the operational banking
7 services described in the Services
8 Agreement?
9 A. Yes.
10 Q. So the pooling account was both
11 a clearing account and a pooling
12 account?
13 A. KBC New York does not call it a
14 pooling account. So I don't know where
15 that term comes from. I'm not familiar
16 with it.
17 KBC New York had a U.S. dollar
18 account for ADB that handled any U.S.
19 dollar transactions that ADB processed
20 through KBC New York.
21 Q. And that would apply to all
22 customers of ADB for which it processed
23 transactions?
24 A. If it processed through the ADB
25 pooling account.

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Pg: 205 Ln: 1 - Pg: 207 Ln: 9 continued...

Annotation:

207: 1 Q. So that would include customers
 2 around the world as well as based in
 3 New York, would it not?
 4 A. If it was a U.S. dollar payment
 5 that got processed through ADB's
 6 pooling account held at KBC New York,
 7 KBC New York handled it. If it went
 8 through another account at another
 9 bank, KBC New York had no involvement.

Pg: 208 Ln: 7 - Pg: 211 Ln: 18

Annotation:

208: 7 Q. And dropping down to paragraph 2
 8 at the bottom of the first page of the
 9 Services Agreement you see the sentence
 10 that begins "KBC will accept and
 11 registrate all incoming funds via the
 12 customary channels, etcetera, in favor
 13 of the diamond clients"?
 14 A. A-hum.
 15 Q. What does that mean?
 16 A. It means that all
 17 incoming/outgoing payments flowing
 18 through Lazare's account would be --
 19 would be captured and kept.
 20 Q. What does "captured" mean,
 21 booked?
 22 A. Via -- well, it would be
 23 presented a payment order, we would
 24 have a copy of the payment order. We
 25 would have the debits and entries would
 209: 1 be reflected on our account statement
 2 that was furnished to the customer. So
 3 we would have copies of the customer's
 4 account statements.
 5 Q. So effectively, the monies that
 6 KBC accepted and registrated were used
 7 to repay the customer's loans under
 8 their credit facilities with ADB,
 9 correct?
 10 A. It's one of the -- Lazare Kaplan
 11 -- if Lazare left any credit balances
 12 in its KBC New York DDA account at the
 13 end of the day those credit balances
 14 got moved and sent to ADB, but Lazare
 15 had the ability to leave no funds in
 16 the account at which point there would
 17 be no credit balances to use to pay
 18 amounts drawn under the ADB overdraft

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Pg: 208 Ln: 7 - Pg: 211 Ln: 18 continued...

Annotation:

209:19 account.
 20 Q. Where does it say that in this
 21 agreement?
 22 A. It doesn't say it, but Lazare
 23 Kaplan -- Lazare controls the funds in
 24 its account. If it didn't want to have
 25 funds used to pay down an overdraft on
 210: 1 an overdraft account Lazare had the
 2 capability of withdrawing any credit
 3 balances and moving it into another
 4 bank account with another bank, so that
 5 there would be no credit balances and
 6 there would be no pay-down on the
 7 overdraft account.
 8 Q. According to this paragraph 2 of
 9 the Services Agreement, where KBC
 10 accepted incoming funds it was KBC that
 11 credited the customer's account on its
 12 books, correct?
 13 A. Correct.
 14 Q. It was KBC that sent a SWIFT
 15 message to ADB giving information
 16 regarding that credit, correct?
 17 A. Every time there was a credit to
 18 the account we -- Lazare was notified
 19 and ADB was notified.
 20 Q. It was KBC that added
 21 information about the ordering customer
 22 of the payment, correct?
 23 A. For what type of payment?
 24 Q. Well, I'm referring you to the
 25 bottom of paragraph 2, top of page 2 of
 211: 1 the Services Agreement, in particular,
 2 the sentence "KBC also adds information
 3 about the ordering customer of the
 4 payment."
 5 A. That would be information that
 6 we received from Lazare who inputted it
 7 into the payment order.
 8 To the extent that it was
 9 contained within the payment order,
 10 which had to be because we would have
 11 to know who to make the payment to, we
 12 also informed ADB.
 13 Q. And you performed an AML or
 14 Compliance obligation or function with
 15 respect to the information about the
 16 customer or the source of funds?
 17 A. It was subject to our BSA AML
 18 OFAC program.

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Pg: 218 Ln: 14 - Pg: 219 Ln: 16

Annotation:

218:14 Q. Does the account agreement say
 15 anything at all about zeroing out the
 16 account?
 17 A. I would have to read it but I
 18 don't recall off the top of my head.
 19 Q. The account agreement is the
 20 Exhibit A to your sworn Declaration,
 21 Ms. Grimmig.
 22 MR. FORESTA: Is there a
 23 question?
 24 MR. SULLIVAN: Yes.
 25 Does the account agreement allow
 219: 1 KBC New York to zero out Lazare's KBC
 2 New York account? Same question I asked
 3 before.
 4 A. The account agreement permits
 5 the debits and credits to the account
 6 which are evidenced in account
 7 statement. The account statement would
 8 have evidenced the zeroing out of
 9 Lazare's account at the end of the day.
 10 Q. What paragraph of the account
 11 agreement are you looking at?
 12 A. I'm just looking at the totality
 13 of the agreement.
 14 Q. Is there a specific reference to
 15 zeroing out in the agreement?
 16 A. No.

Pg: 223 Ln: 7 - Pg: 226 Ln: 25

Annotation:

223: 7 Q. Is there any other agreement
 8 that allowed KBC New York to zero out
 9 Lazare's account at the end of the day,
 10 beyond the account agreement and the
 11 bank statements that you referred to as
 12 the totality of the situation?
 13 A. Was the Letter Agreement between
 14 ADB and Lazare? I think --
 15 Q. That's Plaintiff's 55, one-page
 16 agreement.
 17 A. -- reflected the workings of the
 18 account too.
 19 Q. You are referring to the first
 20 sentence of Plaintiff's 55? Do you have
 21 the document in front of you? It's a
 22 one-page document.
 23 A. I think it's one of the tabs.
 24 MR. D'ANGELO: It should be

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Pg: 223 Ln: 7 - Pg: 226 Ln: 25 continued...

Annotation:

223:25 separate.
 224: 1 A. Yes.
 2 Q. Okay. What language in the
 3 document are you relying on?
 4 A. The first sentence, the second
 5 half of the first sentence, "Same day
 6 debits or credits to our loan balance
 7 with Antwerp Diamond Bank NV.
 8 Q. So this document then pertains
 9 to the Lazare account at KBC New York
 10 as well, the operation of the Lazare
 11 account at KBC New York as well?
 12 A. Yes.
 13 Q. And did KBC New York and ADB
 14 exchange information pursuant to this
 15 document?
 16 A. Yes. As I stated, we shared
 17 information regarding debits and
 18 credits to Lazare's DDA account with
 19 KBC New York, so corresponding entries
 20 could be made by ADB on its overdraft
 21 account.
 22 Q. And do you understand this
 23 document to require that all
 24 disbursements and payments under
 25 Lazare's credit facility with ADB have
 225: 1 to be effected through its account at
 2 KBC New York?
 3 A. No.
 4 Q. So directing your attention to
 5 the first sentence that reads "We
 6 hereby agree that all disbursements and
 7 payments under our credit facility with
 8 Antwerpse Diamantbank NV shall be
 9 effected through our account with KBC
 10 New York and New York branch etcetera",
 11 what part of that doesn't require
 12 Lazare to --
 13 A. You have to --
 14 Q. You have to let me finish.
 15 -- to effect all transactions
 16 through its account at KBC New York?
 17 A. You have to read the sentence in
 18 its totality. The first part makes no
 19 sense without the second part.
 20 Basically, what this is -- the
 21 purpose of this was to state to Lazare,
 22 if you wanted to receive funds under
 23 your overdraft account from ADB same
 24 day in real-time you had to effectuate

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Pg: 223 Ln: 7 - Pg: 226 Ln: 25 continued...

Annotation:

225:25 those payment orders through the KBC
 226: 1 New York account.
 2 Q. The agreement, the word "all"
 3 refers to disbursement -- do you
 4 understand the word "all" to refer to
 5 disbursements and payments under the
 6 credit facility?
 7 A. You have to read the sentence in
 8 its totality. The second part of the
 9 sentence I believe qualifies the first
 10 part of the sentence.
 11 Q. So "all" doesn't mean "all"?
 12 A. I do know that Lazare, during
 13 the time of the overdraft account, did
 14 process payment orders directly to ADB.
 15 So I do not -- I don't think "all"
 16 means "all" here, because there was
 17 activity to the contrary.
 18 Q. And when did that activity take
 19 place?
 20 A. I don't know.
 21 Q. Was Lazare free to disregard
 22 this agreement?
 23 A. It's an agreement between ADB
 24 and Lazare, so I cannot speak for ADB
 25 or Lazare.

Pg: 228 Ln: 10 - 15

Annotation:

228:10 Q. But KBC New York did not
 11 repudiate this agreement in any
 12 respect?
 13 A. No. It was a requirement in
 14 order to -- for Lazare to open and
 15 utilize the KBC ADB DDA account.

Pg: 228 Ln: 16 - Pg: 230 Ln: 21

Annotation:

228:16 Q. And directing your attention to
 17 paragraph 4 of your Declaration, Ms.
 18 Grimmig, do you see the sentence that
 19 begins "Contrary to the statement in
 20 the Moryto Affidavit, KBC was a primary
 21 banker to Lazare. KBC's branch only
 22 provided basic account service for
 23 Lazare's KBC account which were
 24 incidental to Lazare's bank account at
 25 Antwerp Bank."

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Pg: 228 Ln: 16 - Pg: 230 Ln: 21 continued...

Annotation:

229: 1 A. Yes.
2 Q. What is your basis for claiming
3 that KBC was not Lazare's primary
4 banker in New York?
5 A. One, we knew that we were not
6 the only banker that Lazare did
7 business with in the U.S.; and two, we
8 only furnished them with one bank
9 product. We did not provide them or
10 offer them our more prominent bank
11 product and services provided by KBC
12 New York.
13 Q. Directing your attention to the
14 Moryto Affidavit that you refer to in
15 your Declaration, which is tab 116 of
16 your big binder.
17 (Exhibit 116, Affidavit of
18 William Moryto, was received and marked
19 on this date for identification.)
20 Q. Directing your attention to
21 paragraph 20, page 8 of Mr. Moryto's
22 Affidavit, would you read the first
23 sentence?
24 A. "In 2008 alone deposits into the
25 KBC New York bank account from third
230: 1 parties were approximately \$178.5
2 million and disbursements to third
3 parties were approximately \$178.2
4 million."
5 Q. Do you have any reason to
6 believe that statement is not accurate?
7 A. No.
8 Q. Do you know how -- approximately
9 how much money passed through Lazare's
10 bank account at KBC New York during the
11 relevant period of time?
12 A. A couple hundred million.
13 Q. Well, we know that 350-odd
14 million --
15 A. Okay.
16 Q. -- of transactions took place in
17 2008 alone?
18 A. Okay.
19 Q. So in the 11-year period do you
20 have any idea?
21 A. No.

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Pg: 233 Ln: 6 - 22

Annotation:

233: 6 Q. Going back to paragraph 4 of
 7 your Declaration, do you see the
 8 sentence on page 2, three lines up from
 9 the bottom that reads "KBC did not make
 10 any loans or extend any credit to
 11 Lazare."
 12 A. Yes.
 13 Q. So is it correct, if I
 14 understand your testimony, that at the
 15 start of each day Lazare had a zero
 16 balance in its KBC New York bank
 17 account?
 18 A. Yes.
 19 Q. And when Lazare wanted to
 20 disburse funds it would send a transfer
 21 request to KBC New York?
 22 A. Yes.

Pg: 234 Ln: 20 - Pg: 235 Ln: 9

Annotation:

234:20 Q. Is it true, Ms. Grimmig, that
 21 KBC initially funded Lazare's payment
 22 requests with its own money?
 23 MR. FORESTA: Objection. Asked
 24 and answered.
 25 Q. You can answer the question.
 235: 1 A. On an intraday basis, if there
 2 was funds available in the ADB pooling
 3 account we, KBC, would use its own
 4 funds and then at the end of the day
 5 reconcile and settle and be reimbursed
 6 by ADB. So on a daily basis the credit
 7 risk always was retained by ADB because
 8 it was ultimately ADB funds that
 9 covered the payment orders.

Pg: 255 Ln: 8 - Pg: 256 Ln: 21

Annotation:

255: 8 Q. Is it the case or is it correct
 9 that each time the amount of Lazare's
 10 credit facility was increased the
 11 increase was approved by KBC or a
 12 committee at KBC?
 13 A. If it met certain criteria.
 14 Q. Do you recall what the initial
 15 amount of the credit facility was?
 16 A. It's in one of the documents
 17 produced.

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Pg: 255 Ln: 8 - Pg: 256 Ln: 21 continued...

Annotation:

255:18 Q. If I suggested to you that it
 19 was \$10 million, would that refresh
 20 your recollection?
 21 A. No. I believe it was more than
 22 that.
 23 Q. Can you walk us through the
 24 process by which ADB would obtain KBC
 25 approval of the increase in the amount
 256: 1 of the credit facility?
 2 A. Any increase in the credit
 3 facility would be processed in a
 4 similar manner to an initial grant of
 5 credit. ADB would make a decision as to
 6 whether or not it wanted to increase
 7 the credit limit. If it decided to do
 8 so, ADB would write a credit
 9 application or a credit memo and it
 10 would get submitted to the appropriate
 11 Credit Committee.
 12 The determination of the
 13 appropriate Credit Committee was -- is
 14 based upon several factors; one,
 15 probability of default; loss given
 16 default; and group exposure. So the
 17 decision might have been made at the
 18 local committee at ADB or if based upon
 19 the factors it might have needed to be
 20 escalated up to a Credit Committee
 21 located at KBC Belgium.

Pg: 256 Ln: 22 - Pg: 260 Ln: 13

Annotation:

256:22 Q. You identified this morning two
 23 Credit Committees located at KBC
 24 Belgium, the Extended Credit Committee
 25 or ECC and the Local Credit Committee
 257: 1 or LCC and now you also indicated there
 2 was a third committee.
 3 Do I understand correctly the
 4 third committee is the initial Credit
 5 Committee, just CC, if you will, at ADB
 6 and from there the decision goes to the
 7 LCC or ECC at KBC? Am I understanding
 8 that distinction correctly?
 9 A. I think I might have misspoke
 10 and said that the LCC was at KBC
 11 Belgium. I believe the LCC stands for
 12 the Local Credit Committee, which would
 13 refer to ADB's Credit Committee.

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Pg: 256 Ln: 22 - Pg: 260 Ln: 13 continued...

Annotation:

257:14 Q. So ECC is KBC?
 15 A. ECC is KBC.
 16 Q. And LCC is ADB?
 17 A. Yes.
 18 Q. And is there third committee
 19 like an initial committee, a CC?
 20 A. If my memory serves me right, in
 21 the IKB delegations there is another
 22 Credit Committee.
 23 Q. And was it -- is it the case
 24 that the request to increase the
 25 available line of credit, the amount of
 258: 1 the available line of credit to Lazare,
 2 would be coupled with the line of
 3 credit that was made available to
 4 Lazare Kaplan Belgium, the Belgian
 5 subsidiary of Lazare, so the two in the
 6 aggregate would be presented to the
 7 applicable committee?
 8 A. If at the time there -- Lazare
 9 was looking to increase the credit
 10 limit but there was no changes to a
 11 Lazare Belgian credit facility, ADB
 12 would prepare a credit application that
 13 spoke specifically about the LK --
 14 Lazare credit facility and the request
 15 to increase the credit limit, but it
 16 more than likely would have background
 17 information about their group exposure
 18 to Lazare and Lazare Belgium.
 19 Q. Do you know for a fact that the
 20 ECC, the KBC committee, approved the
 21 increase in the amount of the Lazare
 22 credit facility up to the \$45 million
 23 level at which it resided when it was
 24 terminated?
 25 A. I know there was a credit
 259: 1 application submitted. I don't recall
 2 off the top of my head what committee
 3 decided it. I believe it was ECC.
 4 Q. And if I remember your testimony
 5 correctly, KBC had representatives on
 6 the LCC?
 7 A. No. I was mistaken. That's the
 8 Local Credit Committee, that's ADB's
 9 Credit Committee and it is my
 10 understanding that just ADB personnel
 11 are on the ADB's LCC.
 12 Q. Is that what the IKB
 13 counterparty delegations say?

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Pg: 256 Ln: 22 - Pg: 260 Ln: 13 continued...

Annotation:

259:14 A. I think the IKB delegations just
 15 talk about the representatives on the
 16 Credit Committees located in KBC
 17 Belgium. I don't recall it setting
 18 forth who are the representatives of
 19 the Local Credit Committees held at the
 20 local levels.
 21 Q. Are you referring to the LCC?
 22 A. Yes.
 23 Q. So is your testimony that you
 24 don't recall whether KBC
 25 representatives sat on the LCC or that
 260: 1 they did not sit on the LCC?
 2 A. I don't recall.
 3 Q. What written record exists of
 4 the decision by the ECC to increase the
 5 amount of Lazare's credit facility
 6 during the relevant period of time or
 7 what written record would exist of such
 8 approval?
 9 A. For every credit application
 10 submitted to a Credit Committee there
 11 would be a written credit decision
 12 linked to that particular credit
 13 application.

Pg: 260 Ln: 14 - Pg: 261 Ln: 9

Annotation:

260:14 Q. And going back for a moment to
 15 the Service Agreement --
 16 A. Yes.
 17 Q. -- paragraph 2, the paragraph
 18 that begins "KBC will accept and
 19 registrate all incoming funds,
 20 etcetera", would a payment by a third
 21 party for diamonds sold by Lazare be an
 22 example of incoming funds under this
 23 paragraph?
 24 A. If Lazare sold -- sorry. Could
 25 you ask the question --
 261: 1 Q. Would a payment by a third party
 2 for diamonds sold by Lazare be an
 3 example of incoming funds under this
 4 paragraph 2 of the Services Agreement?
 5 A. The positive funds from any
 6 transaction that Lazare had with its
 7 counterpart that it directed that
 8 counterpart to deposit funds into the
 9 DDA account, yes.

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Pg: 264 Ln: 5 - Pg: 265 Ln: 11

Annotation:

264: 5 Q. Well, in this particular case
 6 I'm directing your attention to
 7 paragraph 10 of your Declaration, in
 8 which you are describing the manner in
 9 which KBC New York effectuated
 10 payments --
 11 A. Okay.
 12 Q. -- as per the Services
 13 Agreement, payments requested by
 14 Lazare.
 15 A. Okay. So if we received a
 16 payment order the first thing we check
 17 is to whether or not there were funds
 18 in the account. If there was not
 19 sufficient funds in the account to
 20 cover the payment order, then KBC New
 21 York would look at the credit limit
 22 under the overdraft account with ADB.
 23 If there was availability under that
 24 overdraft account, then KBC could
 25 either -- would on an intraday basis
 265: 1 or -- we could have debited ADB's
 2 account right then and there or more
 3 often than not for administrative
 4 convenience purposes we would fund --
 5 KBC New York would fund the payment
 6 order and then at the end of the day we
 7 would reconcile and do a final
 8 settlement and withdraw the funds out
 9 of the ADB account to cover KBC New
 10 York so that the credit risk always
 11 remained with ADB.

Pg: 271 Ln: 19 - Pg: 272 Ln: 9

Annotation:

271:19 Q. Let me see if I understand your
 20 testimony correctly.
 21 We know that KBC New York
 22 initially funded Lazare's payment
 23 request, correct?
 24 A. As long as there was
 25 availability under the overdraft
 272: 1 account, as long as there was dollars
 2 in ADB's pooling account.
 3 At times KBC New York would use
 4 its funds on an intraday basis to cover
 5 any payment orders, and that at the end
 6 of day KBC New York would do one final
 7 reconciliation and settlement and ADB

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Pg: 271 Ln: 19 - Pg: 272 Ln: 9 continued...

Annotation:

272: 8 would pay KBC New York to make KBC New
9 York whole.

Pg: 272 Ln: 22 - Pg: 273 Ln: 11

Annotation:

272:22 Q. Isn't it also true that KBC
23 funded those requests even when there
24 weren't sufficient funds in the ADB
25 pooling account to cover the request?
273: 1 Isn't that the point of this language
2 about overnight placements on money
3 market interest rates?
4 A. If there was insufficient funds
5 in the ADB pooling account, KBC New
6 York had an overdraft or a credit line
7 for ADB that we could cover the
8 shortage of funds. It didn't
9 necessarily have to be Lazare. It
10 related to any of ADB's transactions,
11 U.S. dollar transactions.

Pg: 275 Ln: 11 - Pg: 280 Ln: 7

Annotation:

275:11 Q. Okay. Would you look -- turn to
12 Exhibit 8 in your binder, please?
13 A. Sure.
14 Q. Tell me whether you can identify
15 this document?
16 A. It's a -- it's a memo written by
17 Maiike Maeckelbergh.
18 Q. And who are Greg, Barbara and
19 Donna referred to in this document?
20 A. Greg is Greg Boston, who is the
21 head of cash management/payments;
22 Barbara worked in the back office and
23 so did Bob Quintin, they might have
24 worked for Greg Boston. I'm not too
25 sure who Donna is.
276: 1 Q. And directing your attention to
2 the first sentence, do you see the
3 reference to ICM, "Kindly note that ICM
4 has made a new account operational"?

5 A. Yes.
6 Q. What is ICM?
7 A. It stands for International Cash
8 Management.
9 Q. And what is that?
10 A. That is the unit that handled

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Pg: 275 Ln: 11 - Pg: 280 Ln: 7 continued...

Annotation:

276:11 DDA accounts.
 12 Q. The unit at KBC New York?
 13 A. The unit at KBC New York.
 14 Q. And why was Maaike notifying
 15 Greg, Barbara and Donna that ICM had
 16 made Lazare's bank accounts at KBC New
 17 York operational?
 18 A. Because they would have needed
 19 to inform the back office people to put
 20 a limit on the DDA account.
 21 Q. And does the number from the
 22 second line from the top, 24079801, is
 23 that the account number assigned by KBC
 24 New York to Lazare's bank account?
 25 A. Yes.
 277: 1 Q. And directing your attention to
 2 the very last sentence that reads
 3 "Payments to accounts at ADB are done
 4 by book transfer to ADB's account
 5 11743901", is that a reference to ADB's
 6 pooling account at KBC New York?
 7 A. I believe so.
 8 Q. Can you explain what that last
 9 sentence means?
 10 A. KBC New York did not deal in
 11 physical cash, so movement of funds,
 12 transfer of funds, was done by book
 13 entries. Another word for book entry
 14 would be a book transfer.
 15 Q. Is that a correspondent bank
 16 function?
 17 MR. FORESTA: Objection.
 18 A. It's a function for any bank
 19 account, whether it's correspondent or
 20 DDA.
 21 Q. If Lazare Kaplan Belgium, which
 22 did not have a KBC New York bank
 23 account, requested a U.S. dollar
 24 transfer from ADB, was that transfer
 25 initially funded by KBC New York?
 278: 1 A. No.
 2 Q. Who funded it?
 3 A. ADB.
 4 Q. ADB funded a U.S. dollar
 5 transfer?
 6 A. ADB had a U.S. dollar account
 7 with KBC New York with U.S. dollars in
 8 it.
 9 Q. Did ADB then fund that request
 10 by and through its New York bank

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Pg: 275 Ln: 11 - Pg: 280 Ln: 7 continued...

Annotation:

278:11 account at KBC New York?
12 MR. FORESTA: Objection. You can
13 answer.
14 A. KBC New York would have been the
15 intermediary bank. So ADB, as the
16 originating bank, would have sent wire
17 instructions naming KBC New York as
18 intermediary bank and then would name
19 who the beneficiary bank. And so KBC
20 just moved U.S. dollar funds from ADB's
21 account to the beneficiary bank's
22 account.
23 Q. And would the same be true of
24 other diamond customers of ADB who did
25 not have a bank account at KBC New
279: 1 York, would KBC New York reconcile at
2 the end of the day with ADB transfers
3 made using ADB's pooling account in New
4 York?
5 A. Assuming that ADB transmitted
6 the wire transfer through KBC New York
7 and not through another U.S. Bank.
8 Q. And similarly or
9 correspondingly, if a customer of ADB
10 received a deposit in U.S. dollars from
11 a third party and that customer did not
12 have a KBC New York bank account, was
13 the transaction processed through the
14 ADB pooling account at KBC New York?
15 A. Not necessarily.
16 Q. Could it have been?
17 A. It could have been.
18 Q. Under what circumstances would
19 it not have been processed through the
20 ADB pooling account at KBC New York?
21 A. ADB would have had to give
22 wiring instructions. If it named KBC
23 New York as the intermediary bank, then
24 the funds would have flowed through KBC
25 New York.
280: 1 Q. To the extent that funds
2 generated by transactions of ADB
3 customers flowed through New York, were
4 they all processed through the ADB
5 pooling account at KBC New York?
6 A. Any -- ADB only had the one
7 account. So, yes.

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Pg: 287 Ln: 9 - 22

Annotation:

287: 9 Q. You don't consider the initial
 10 funding by KBC to be an extension of
 11 credit to Lazare, Ms. Grimmig?
 12 A. No.
 13 Q. From Lazare's perspective who
 14 was funding its drawdown requests under
 15 the credit facility?
 16 MR. FORESTA: Objection.
 17 A. ADB.
 18 Q. Really? Even though KBC advanced
 19 the money?
 20 A. KBC temporarily advanced funds
 21 on an intraday basis, but at the end of
 22 each day it was ADB's funds.

Pg: 306 Ln: 13 - Pg: 309 Ln: 19

Annotation:

306:13 Q. And if a customer of Lazare,
 14 such as an Erez Daleyot affiliated
 15 company, DD or KT, for example,
 16 transferred money to New York, to and
 17 through the ADB pooling account, would
 18 KBC New York maintain records of that
 19 transaction?
 20 MR. FORESTA: Objection. You can
 21 answer.
 22 A. We would have retained the SWIFT
 23 payment message.
 24 Q. I'm sorry?
 25 A. We would have retained the SWIFT
 307: 1 payment message.
 2 Q. You'd also have a record of the
 3 transaction in the pooling account
 4 statements, wouldn't you?
 5 A. Yes. There would be an entry.
 6 Can I step back?
 7 Q. Sorry?
 8 A. On that question who was
 9 originating the funds transfer and from
 10 what account?
 11 Q. Let's use a specific example, if
 12 we could. Can you turn to I think it's
 13 Exhibit 58 in your big binder?
 14 So directing your attention to
 15 Plaintiff's Exhibit 58, is this an
 16 account statement, albeit redacted for
 17 ADB's pooling account at KBC New York,
 18 Ms. Grimmig?
 19 A. Yes.

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Pg: 306 Ln: 13 - Pg: 309 Ln: 19 continued...

Annotation:

307:20 Q. And does this account statement
 21 indicate to you that two transactions
 22 of the companies known as KT Collection
 23 and DD Manufacturing went through the
 24 ADB pooling account at KBC New York?
 25 A. Yes.
 308: 1 Q. And does the fact that both
 2 transactions went through the ADB
 3 pooling account mean that DD and KT had
 4 a bank account at KBC New York?
 5 A. No. They did not.
 6 Q. Does it mean that their
 7 transactions were executed ADB's
 8 pooling account at KBC New York?
 9 A. They were executed through ADB's
 10 pooling account as a non-customer.
 11 Q. And this pooling account record
 12 is a document maintained by KBC New
 13 York in New York?
 14 A. Yes.
 15 Q. And you consider that to be a
 16 "routine" --
 17 MR. FORESTA: -- clearance
 18 procedure.
 19 MR. SULLIVAN: -- clearance
 20 procedure. Thank you so much, counsel.
 21 MR. FORESTA: Not that I'm in a
 22 rush or anything.
 23 A. Yes. It's standard practice for
 24 every account to issue an account
 25 statement on a -- I believe this was a
 309: 1 monthly basis.
 2 Q. So this is an example of the ADB
 3 pooling account being used for U.S.
 4 dollar-denominated transactions of
 5 non-New York-based ADB clients,
 6 correct?
 7 A. This is reflecting -- all I can
 8 tell you is it's reflecting a U.S.
 9 dollar transaction involving
 10 non-customers of KBC New York.
 11 Q. Are you familiar with the
 12 entities known as DD Manufacturing and
 13 KT Collection?
 14 A. I believe their names were
 15 mentioned in the Complaint letter
 16 Lazare filed with the New York State
 17 Department of Financial Services and
 18 are in the legal Complaint for this
 19 litigation.

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Pg: 319 Ln: 12 - Pg: 321 Ln: 11

Annotation:

319:12 Q. Turning to paragraph 4 of your
 13 Declaration --
 14 A. Yes.
 15 Q. -- last sentence, "Antwerp Bank
 16 not KBC had the sole authority to
 17 approve overdrafts on the Lazare
 18 Antwerp Bank account or to extend or
 19 terminate the credit facility Antwerp
 20 extended to Lazare."
 21 A. Yes.
 22 Q. What document gives ADB the sole
 23 authority that you refer to in this
 24 language I quoted?
 25 A. As the credit provider, as the
 320: 1 owner of the overdraft account, they
 2 had authority with respect to
 3 overdrafts and they were the party that
 4 informed us of credit limits with
 5 respect to that overdraft account.
 6 Q. Didn't KBC also have authority,
 7 as you've testified earlier today, with
 8 respect to the credit facility Lazare
 9 had with ADB?
 10 A. KBC participated in the credit
 11 approval process as per the IKB credit
 12 delegations.
 13 Q. And didn't the IKB credit
 14 delegation create certain
 15 responsibilities for KBC with respect
 16 to the Lazare credit facility,
 17 including with respect to ADB's ability
 18 to extend or terminate the credit
 19 facility?
 20 A. It -- ADB had credit -- certain
 21 local credit delegation authority that
 22 it can make certain decisions. Others
 23 had to be escalated up to a KBC Credit
 24 Committee, depending upon different
 25 risk factors, including probabilities
 321: 1 of default, loss given default and the
 2 -- the aggregate risk -- group risk
 3 exposure to a customer.
 4 Q. Isn't it true that ADB could not
 5 have entered into a \$45 million credit
 6 agreement with Lazare without the prior
 7 approval and consent of KBC?
 8 A. I would have to look at the IKB
 9 credit delegations to note the amount
 10 of their local delegation authority
 11 versus the need to escalate.

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016
Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 321 Ln: 12 - 22

Annotation:

321:12 Q. Are you testifying today as a
 13 30(b) (6) witness on behalf of KBC or
 14 KBC New York?
 15 A. On behalf of KBC -- KBC Bank NV,
 16 which includes its New York branch.
 17 Q. Did you go over each of the
 18 topics set forth in the Amended Notice
 19 of Deposition in preparation for your
 20 testimony today?
 21 A. I read the topics, yes. I read
 22 the description of topics.

Pg: 321 Ln: 23 - Pg: 322 Ln: 6

Annotation:

321:23 Q. Do you know what governing
 24 bodies at KBC were involved or
 25 consulted in connection with the
 322: 1 decision to terminate the Lazare credit
 2 facility?
 3 A. It is my understanding that that
 4 credit application prepared by ADB was
 5 approved at the local level and then
 6 submitted to the ECC at KBC Belgium.

Pg: 345 Ln: 19 - Pg: 346 Ln: 25

Annotation:

345:19 Q. But my question pertains to your
 20 preparation for your testimony today,
 21 2016.
 22 Did you speak with anybody at
 23 KBC Group Legal or KBC in order to
 24 prepare yourself to testify today as a
 25 30(b) (6) witness on behalf of KBC?
 346: 1 A. Yes.
 2 Q. With whom did you speak?
 3 A. Walter Haeck.
 4 Q. So when did you speak with
 5 Mr. Haeck?
 6 A. I've known about this deposition
 7 was going to take place for several
 8 months, so from the time I was notified
 9 that I would be the witness, I have
 10 reached out to various parties and I
 11 have read various documents in order to
 12 prepare for this deposition.
 13 Q. So, you've had conversations in
 14 2015 and even perhaps 2016 in order to
 15 prepare yourself for today's testimony?

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 345 Ln: 19 - Pg: 346 Ln: 25 continued...

Annotation:

346:16 A. Yes.
17 Q. So when did the conversation
18 with Mr. Haeck take place?
19 A. I've had conversations with
20 Haeck over -- for the preparation of
21 this deposition?
22 Q. Yes.
23 A. From the time I was notified
24 that I was going to be a witness, which
25 was several months ago.